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POSTWAR REHABILITATION
AND DEVELOPMENT OF THE
NATIONAL ECONOMY
OF
D. P. R. K.



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**Post-war Reconstruction
and Development of
National Economy
in the Democratic
People's Republic
of Korea**

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I. GENERAL LINE OF THE WORKERS' PARTY OF KOREA FOR THE POST-WAR RECONSTRUCTION AND DEVELOPMENT OF NATIONAL ECONOMY

Liberation of Korea by the great Soviet Army on August 15, 1945, opened up a broad vista for a free development of the Korean economy and national culture.

But the occupation of South Korea by the U.S. armed forces created a complicated situation in Korea.

In South Korea, the U.S. imperialists suppressed democratic forces and schemed for national split by calling together the reactionary forces while pursuing a predatory policy of colonizing South Korea.

In such conditions, the Workers' Party of Korea set forth the task of revolutionary struggle for building a democratic and independent state by turning the northern part of the Republic into a mighty democratic base.

Within a short period of time after liberation, the people's power carried out democratic reforms including the land reform and the nationalization of key industries in the northern part of the Republic. These were the unanimous desires of the entire Korean people and received their support.

As a result of the land reform, the labouring peasants in the northern part of the Republic received without compensation about one million jungbo (one jungbo is 2.45 acres) of arable land. Thus the feudal relations of production was liquidated in the countryside.

With the nationalization of key industries, large-scale factories and enterprises, banks, transport and communications, the economic foundation of the Japanese imperialists and compradors was liquidated. From then on the section of state ownership occupied the leading

position in the national economy of the Republic, and the new socialist mode of production came into existence.

The enforcement of a series of democratic laws, including the labour law, fundamentally eliminated the old social relations in all fields of social life, replacing them with new, democratic social relations.

In the northern part of the Republic, an economic system of people's democracy was instituted, conducive to strengthen the democratic base which would be a sure guarantee for the unification of the country, and the material conditions were created for carrying on socialist construction.

The great Soviet people gave disinterested assistance and support to the Korean people to achieve great success in all fields of politics, economy and culture during the five years of peaceful economic construction prior to the war.

Already in 1949, the total industrial output increased 3.4 times compared with 1946 and the state industry, in particular, increased 4.2 times and exceeded by 20 per cent over the production level of 1944 under Japanese imperialism.

During the pre-war period of peaceful construction, machine-building and textile industries which had been insignificant in the days of Japanese imperialism, were put on the right track, and the colonial lopsidedness in industry was gradually corrected.

During the period from 1946 to 1949 the industrial productivity increased 2.6 times.

In the field of agriculture the total grain yield exceeded by 10 per cent already in 1948 over the 1944 level, and the rice crop—the staple farm produce—increased 1.4 times, with the result that the northern part of the Republic, which had formerly suffered food shortage, had a surplus.

In the field of livestock breeding, too, the number of cows rose to 104 per cent in 1949 over 1944 and the number of pigs to 172 per cent.

With the increase in agricultural output and the development of animal husbandry, the gross output of farm and animal products increased 1.4 times in this period.

On the basis of such political and economic success achieved in the fields of industry and agriculture in the period of peaceful construction after liberation, the living standards of the working people were elevated and their cultural life improved.

The national income doubled in 1949 compared with 1946, and the monetary wages of factory and office workers increased by 83 per cent during this period.

The prices of consumer goods were systematically reduced, and the circulation of commodities continued to be expanded.

The total number of employment in all branches of the national economy increased by more than 300,000 during this period, and the ranks of the working class grew in strength.

Great success was also registered in the peaceful construction period in the efflorescence of the national culture and in the rapid increase of trained personnel.

Already by the beginning of 1950, 15 higher educational institutions and 69 specialized schools were in existence to train technical and economic experts, and some 1,500,000 children—600,000 more than in 1944—were receiving democratic education.

There had been few Korean experts working in economic and cultural fields in the Japanese days. But the number of Korean students studied in higher educational institutions and specialized schools grew to several thousands in 1950, and tens of thousands of skilled workers—the backbone of our working class—were trained during this period.

The political and economic success the Korean people achieved during the five years of peaceful construction not only testified to the superiority of the people's democratic system but was a sure promise of rapid development in the national economy of the Republic.

However, such rapid development of the national economy and culture was interrupted temporarily due to the armed invasion against the northern part of the Republic by the U.S. imperialists and their servitors, the treacherous Syngman Rhee clique, on June 25, 1950.

The three long years of war forced by the U.S. plun-

derers and their lackeys brought immeasurable disasters and sufferings to the Korean people. Cities and villages, mines and factories, railways, roads, bridges, ports, schools, hospitals, theatres and clubs—the whole country was devastated.

The destruction of industry was particularly beyond description. Over 8,700 factories and enterprises were utterly destroyed.

During the war, the industrial output was considerably reduced, with the result that in 1953, the year when the armistice was concluded, the total industrial output dropped to 64 per cent compared with 1949; the generation of electric power dropped to 26 per cent; fuel to 11 per cent; metallurgical production to 10 per cent and chemical production to 22 per cent.

The production facilities for iron ores, pig iron, crude copper, crude lead, motors, transformers, cokes, sulphuric acid, chemical fertilizers, carbide, caustic soda, cement, etc. were completely destroyed.

The war played havoc with the rural economy. Irrigation systems and river dikes were destroyed. 370,000 jungbo of farm land and 90,000 jungbo of arable land were damaged or totally ruined by the U.S. barbarous bombings. Consequently farm produce fell off considerably.

In 1953, the total grain output diminished to 88 per cent compared with the pre-war year 1949: wheat and barley to 76 per cent; corn to 60 per cent; cotton and tobacco to 23 per cent respectively; fruits to 72 per cent; and cocoon to 58 per cent.

During the war, 250,000 head of cows and 380,000 head of pigs were killed, with the result that in 1953 the number of cows decreased to 64 per cent while pigs to 82 per cent compared with the pre-war year 1949.

The damage transport and communications suffered by the war were also severe, and the barbarous, indiscriminate bombings of the enemy brought untold misery and hardships to the people.

Some 28 million square metres of dwelling houses were destroyed. 73 per cent of state-owned dwelling houses were destroyed. And over 5,000 schools, over 1,000 hospi-

tals and clinics, over 260 theatres and cinema houses and thousands of cultural and public welfare establishments were cruelly levelled.

In addition, the inhabitants lost most of their household furnishings and personal effects.

Even according to incomplete data, the damage inflicted upon the national economy by the war amounted to 420 billion won.

Thus, the national economy of the Republic suffered a severe loss in every branch from the war. As a result, a new disequilibrium was created in the national economy and the living conditions of the people were brought down to a very difficult state.

Right after the Armistice Agreement was concluded, the Workers' Party of Korea set out to lay material foundations for a normal and balanced development of the national economy by rapidly restoring destroyed factories, mines, and railway transport in order to improve at the earliest possible date the ruined people's living standards.

In view of the acute housing shortage dwelling houses had to be built in great numbers, and educational and cultural establishments had to be rehabilitated rapidly. Accordingly, after the war, the enormous tasks were set before the Korean people. -

The armistice should be turned into a lasting peace, and the democratic base of the northern part—the spring of revolution—be converted into a mighty material force politically, economically, and culturally for the peaceful unification of the country.

Many difficulties and obstacles stood in the path. The national economy suffered overall destruction, and in particular, the heavy industry, the basis of the national economy, suffered a great degree of damage.

Under the circumstances the Workers' Party of Korea divided the post-war reconstruction of the national economy into three basic stages:

The first stage was to prepare the way in a period of six months to one year for an overall rehabilitation of the

destroyed industries; in the second stage a Three-Year Plan for the Reconstruction and Development of National Economy was to be carried out to restore all branches of the national economy to the pre-war level; in the third stage a Five-Year Plan was to be implemented to lay the foundation of socialist industrialization.

Proceeding from the economic conditions after the war, the Workers' Party of Korea defined the basic objectives set in the program of reconstructing the war-devastated national economy as follows:

"The post-war reconstruction of the national economy does not simply mean restoring our war-ravaged national economy to its status quo ante. Its main task is to ensure the priority in the development of heavy industry, along with a speedy restoration and development of light industry and agriculture for the stabilization and improvement of the living standards of the people ruined by the war. To this end, the colonial lopsidedness of our industry left by the prolonged heinous rule of the Japanese imperialists should be eliminated and the foundations for socialist industrialization of our country be laid. This is the general line of our Party in relation to the post-war economic development." (Kim Il Sung: Report of the C. C. of the Workers' Party of Korea to the Third Party Congress.)

The most important task set forth in the general line of the Party lay in liquidating backwardness of heavy industry—the basis for the economic development of the Republic—and in developing machine-building industry, in particular, which was one of the weakest links in our industry.

Due to the prolonged Japanese colonial rule, Korea's heavy industry was deformed only to produce raw materials and half-finished goods. There was little production of machine and equipment. In other words, it was no more than an appendage of the Japanese industry to exploit the abundant resources of Korea for supplying the Japanese imperialists with raw materials or half-finished goods. Moreover, the nation's industry was badly destroyed by the three-year severe war, with the result that there appeared a pronounced disequilibrium.

It was, therefore, a most important task to overcome the

colonial lopsidedness and the disequilibrium in heavy industry during the post-war Three-Year Plan period.

The Workers' Party of Korea directed a serious attention to the distribution of industrial establishments. At the last phase of their colonial rule in Korea, the Japanese imperialists developed a colonial industry. As to the general distribution of industry stress was laid on such localities that were geographically convenient to plunder the natural resources of Korea.

As a result, all important factories were established on the east and west coasts far away from the raw material sources. This led to an extremely abnormal distribution of productive forces.

Under these circumstances, the Workers' Party of Korea directed its attention, first of all, to speed up the restoration of the ruined enterprises and to make more effective capital investment in industry. At the same time special attention was given to remove the colonial lopsidedness and backwardness of industry to ensure an independent development of the national economy.

It was precisely for this reason that the post-war Three-Year Plan, though basically it was a plan for rehabilitation, envisaged technological improvement and establishment of many new industries.

It was necessary to form a reconstruction plan based on the priority development of heavy industry so as to lay material foundations for a speedy post-war reconstruction of the national economy.

Without ensuring the priority growth of heavy industry — the production of means of production, particularly machines and building materials — it was impossible to carry out the vast reconstruction work.

Especially, in order to stabilize and improve the people's living standards ruined by the war, light industry and rural economy had to be rapidly rehabilitated and developed. Dwelling houses, cultural and health establishments had to be restored. Cities and villages reduced to ashes had to be rebuilt.

Therefore, emphasis was placed on the restoration of such key industries as producing machine, iron and steel, cement, bricks, timber and other building-materials, along

with the chemical, electric and coal industries. Otherwise, even one step forward toward reconstruction was impossible.

Secondly, only the priority development of heavy industry could eliminate the colonial lopsidedness and ensure the foundations for future industrialization, which would strengthen the material basis of the national economy.

Without these, it would have been impossible to expect any further development of the national economy and to raise the people's living standards.

Thirdly, it was necessary to remove the disequilibrium in the national economy — a consequence of the war.

If the priority development of heavy industry were not ensured, the imbalance wrought by the war between heavy and light industries would have been aggravated further and the overall development of the national economy hampered.

The Workers' Party of Korea adopted the priority development of heavy industry, not only because the heavy industry constituted, in general, the basis for economic development but particularly because the existing economic situation in the Republic required it.

In order to raise, within the shortest period of time, the people's living standards that suffered so severely from the war, the Workers' Party of Korea has shown great concern for the rapid development of light industry and rural economy with the priority growth of heavy industry.

The Workers' Party of Korea has taken a series of important measures for meeting fully the material and cultural requirements of the people.

Therefore, in the post-war reconstruction period light industry and rural economy had to be restored and developed within a short space of time. It was a pressing task to produce more cereals, cotton and silk fabrics, footwear, soy sauce, bean paste, salt, marine products, etc.

The post-war economic policy of the Workers' Party of Korea called for the priority growth of heavy industry attended by the rapid advance of light industry and rural economy. Its aim was to speed up the recovery of the na-

tional economy so as to strengthen the material and technical foundation which is a major factor for the further development of economic foundations of the democratic base. It was also important to meet the urgent requirements of the people and improve their living standards as early as possible.

II. GREAT SUCCESS ACHIEVED IN THE POST-WAR RECONSTRUCTION PERIOD

Under the correct leadership of the Workers' Party of Korea and the Government of the Republic, the entire working people of the northern part of the Republic victoriously carried out the Three-Year Plan for the Post-war Reconstruction and Development of National Economy. An enormous assistance came from the Soviet Union, the People's Republic of China and other fraternal People's Democracies.

As they had done in the Fatherland Liberation War against the armed invasion of the U. S. imperialist aggressors and their stooges, the Syngman Rhee traitors, the Korean people displayed to the full their unparalleled heroism and exerted creative energies in the struggle for the post-war reconstruction of the national economy.

As a result, all branches of the national economy could recover from war wounds and exceed the prewar levels of production. The material foundations for socialist industrialization of the country and for the further improvement of the people's living standards were laid firmly.

The rapid rehabilitation of the national economy severely destroyed during the war and its expansion on a new scale were dependent on a most important factor—a vast capital construction.

The total state investment in capital construction during the period from 1954 to 1956 amounted to 80.6 billion won (in prices of January 1950), or 1.8 billion won more than it was originally envisaged in the Three-Year Plan.

In line with the general policy of the Workers' Party of Korea and the Government on the post-war reconstruction of the national economy the investment in capital construction had to be made according to its importance.

Out of the total investment during the period of the post-war Three-Year Plan, 73.1 per cent were made available for productive construction, of which 49.6 per cent was for industrial construction, 9.2 per cent for agriculture, and 13.1 per cent for transport and communications. The remaining 26.9 per cent was allocated to other fields, of which 5.9 per cent to the construction of educational and cultural establishments and 12 per cent to dwelling houses.

1. Industry

In the post-war Three-Year Plan period, 39.9 billion won in all were appropriated for industrial construction, of which 32.4 billion won were for heavy industry while 7.5 billion won for light industry.

As for heavy industry, investment was concentrated on the branches of steel, machines, building-materials and chemical fertilizers which were to serve for the improvement of the living standards of the people.

At the same time, in order to secure power, fuel and raw materials for heavy industry an enormous sum was spent on the rehabilitation of electric facilities, coal and other mines.

In the field of light industry, investment was concentrated on the restoration of such factories as textile mills, food processing factories and pulp and paper mills.

Good results of the vast post-war national economic rehabilitation program were gained already by the end of 1954, the first year of the Three-Year Plan. Within the short space of one year, more than 120 machine-building factories, cement mills, brick yards, etc. were partially or completely restored and began operation. In addition, some 40 new factories were built. Among them were machine-building factories, large and small building-materials factories, textile mills and other enterprises producing consumer goods.

A priority rehabilitation and expansion of machine-building and building-materials industries provided conditions for accelerating the restoration of the destroyed

production facilities along with new houses and cultural and health establishments. In order to meet the most urgent needs of the people the speedy recovery of consumer goods production was necessary.

The new machine-building and building-materials industries made it possible to carry out more effectively the reconstruction work as a whole.

By the end of 1956, over 240 heavy and light industrial enterprises were rehabilitated and more than 80 new enterprises were established.

As the enterprises were restored, new machinery replaced obsolete one, and the production facilities were improved to turn out better-quality finished goods instead of half-finished or raw materials.

Hundreds of factories producing machines, tools and accessories along with textile mills were built or expanded. New kinds of factories which did not exist formerly came into being.

The total output of state and co-operative industries already exceeded the 1956 level of production as of the end of January 1956. The Three-Year Plan was fulfilled in two years and eight months, that is, four months ahead of schedule.

In 1956, the total amount of industrial production grew 2.8 times compared with 1953 and exceeded by 80 per cent over the pre-war level of 1949. The following data will tell eloquently of the amazing progress of state and co-operative industries.

Growth of the Total Output of State and Co-operative Industries (1949=100)

	1949	1954	1955	1956
State and Co-operative industries	100	103	156	197
Of which:				
State Industries	100	101	152	192
Co-operative Industries	100	137	214	287

If we compare the 1956 figures with the 1953 ones, the state and co-operative industries show an increase of 290

per cent (state industries 297 per cent and co-operative ones 233 per cent).

In the field of heavy industry, large scale capital construction was carried out during the post-war period, and its productivity grew considerably.

In the field of electric industry, 5.7 billion won of capital investment were made during the same period. 16 big electric power stations including Huhchun-gang, Jangjin-gang, Boojun-gang, Keumkang-san, and the Soopoong (the biggest one in Korea) were restored. Their total electric power-generating capacity reached 1,140,000 kilovolt-ampere and the annual power generation amounted to 5.1 billion k.w.h. This means that the power generation increased 5 times over 1953.

Together with the reconstruction of power stations, transmission and transformer network and over 1,300 kilometres of transmission line were restored during this period. In addition, the construction project of the Tokro-gang Power Station is under way. Upon completion, it will generate 90,000 kilo-volt-ampere.

In order to rapidly rehabilitate and develop the coal industry which had been ruthlessly destroyed or flooded during the war, the state appropriated 2.1 billion won for its capital construction during the Three-Year Plan period. As the demands for coal rose sharply after the war, the Government increased its annual investment in this field: 500 million won in 1954, 700 million won in 1955 and 900 million won in 1956.

Sixteen anthracite mines, including the Ryongdeung, Kaichun, Joyang, Dukchun and Shinchang Mines, and thirteen bituminous coal mines, including the Aoji, Kokunwon and Anjoo mines, were restored and expanded, and the capacity of coal mining rose considerably high.

Coal mining amounted to 3,900,000 tons in 1956, which was 5.5 times over 1953 and reached nearly the pre-war level of 1949.

In the field of mining industry, a capital construction of 3.3 billion won was carried out during the Three-Year Plan period. In 1956, the state capital construction investment in this field grew to 116 per cent compared with 1954.

During this period, the Mannyun, Moosan and Chundong ferrous-metal mines and the Suhheung, Kumduk, Holdong, Kyesaing and Daiyoodong non-ferrous mines and many others were restored. In total 47 mines were revived and expanded. Likewise ore dressing and mining equipment was improved to raise the ore mining capacity to a considerably high degree.

As of the end of 1956, the capacity of refining gold, silver and copper surpassed by 28 per cent over the 1954 figures and the dressing capacity of lead and zinc by 18 per cent. The mining capacities of these ores exceeded the pre-war level.

Along with the development of mining industry extensive geological surveys were carried out to explore untapped resources. New mines began operation in Kapsan and Danchun areas.

In 1956 the production of refined gold, silver, copper, and lead topped the 1949 level by 38 per cent, and 4 times over 1953. The production of zinc increased 2.6 times compared with the pre-war year 1949 and 27 times compared with 1953.

These figures exceeded by far the highest level in the days of Japanese domination.

In 1956, the total amount of iron ore reached the pre-war level, and that of tungsten ore exceeded by 67 per cent over the 1953 figures.

The restoration of ferrous and non-ferrous mines was not so easy a task, since they were completely destroyed by the war. But the metal production facilities were rehabilitated rapidly after the war.

For the reconstruction of metal industry 2.8 billion won were invested in capital construction. In 1956 investment was increased to 150 per cent compared with 1954.

In 1954, the first year of the Three-Year Plan, open-hearth furnaces and a big rolling mill of the Hwanghai Iron Works, a rolling mill of the Sungjin Steel Works, and a rolling mill of the Kangsun Steel Works, coke ovens of the Kimchaik Iron Works, the Moonpyung and Nampo refining shops were restored and began operation. And in 1955, blast furnaces of the Kimchaik Iron Works, open

hearth furnaces of the Hwanghai Iron Works, electric furnaces and a rolling mill of the Kangsun Steel Works, electric furnaces and alloy metal shop of the Sungjin Steel Works, converters of the Chungjin Steel Works, blast furnaces of the Nampo Refinery and electrolysis shop of the Moonpyung Refinery were restored and expanded. Moreover, many of these plants were equipped with up-to-date machinery. Then in 1956, another rolling mill of the Kangsun Steel Works and the copper electrolysis shop of the Heungnam Refinery were newly opened.

As a result of the speedy restoration of metal industry, as of the end of 1956, the production capacity of steel increased 13 times over 1953, structural steel showed an increase of 44 per cent. And compared with the end of 1954 the production capacity of electrolytic copper increased by 31 per cent and electrolytic lead 2.8 times.

In the Three-Year Plan period there was a new production capacity of 190,000 tons of pig iron. In 1956 the output of steel products, electrolytic copper, lead, silver and crude gold already exceeded the pre-war production level of 1949. Steel production exceeded the 1944 level under the Japanese days by 30 per cent, structural steel by 26 per cent, electrolytic copper by 43 per cent, electrolytic lead by 100 per cent, electrolytic silver by 150 per cent and crude gold by 380 per cent.

The development of metal industry is shown in the following table:

**Growth of Production of Ferrous
and Non-ferrous Metals (1949=100)**

	1949	1954	1955	1956
Pig iron	100	—	67	113
Steel	100	39	95	132
Structural steel	100	27	68	115
Electrolytic copper	100	45	81	110
Electrolytic lead	100	40	115	178
Electrolytic silver	100	18	62	124
Crude gold	100	30	81	113

The growth of metal production ran parallel with the elimination of disequilibrium between the output of pig

iron and steel, and the increasing production of steel of various kinds and superior quality were able to meet the needs of the national economy.

The machine-building industry, which made great progress during the post-war Three-Year Plan period, is new to Korea. Never before were produced mining, electric, farming and textile machines and tools. However, for the first time in Korea, machine-building industry has been established. This will make it possible to develop an engineering industry.

During the post-war Three-Year Plan period, the state appropriated 3.1 billion won for erecting new machine-building factories and restoring some old ones. During this period, large scale factories equipped with up-to-date machines, such as the Hichun Machine-tool Factory, the Hichun Precision Instruments Factory, the Koosung Mining Machine Factory, the Kiyang Farm Machine Factory, the Daian Electric Appliances Factory, the Pyongyang Textile Machine Factory were newly constructed. The Bookjoong and Ryongsung Machine-building Factories, the Nampo, Chungjin and Wonsan ship-yards, and railway repair-shops were rehabilitated and expanded. Various kinds of new machines began to come from these factories. Among them are internal combustion engines, electric motors and transformers, various types of cranes, mining equipment, lathes, boring machines, machine tools and accessories, farm implements. These machines and tools began to meet the demands of industry, agriculture and other branches of national economy.

The volume of production of major machinery increased considerably in the post-war Three-Year Plan period.

Growth of Production of Machinery (1949=100)

	1949	1954	1955	1956
Internal combustion engines	—	100	446	487
Lathes	100	—	19.6 times	39 times
Boring machines	100	—	47	239
Mining equipment	—	100	274	295
Electric motors	100	—	359	13.2 times

Transformers	100	85	153	338
Winches	100	184	12 times	18.5 times
Motor vessels	—	100	183	10 times
Pumps	100	79	793	13.7 times
Farm implements	100	444	11 times	16 times

It was impossible to ensure the further development of rural economy without rehabilitating rapidly the chemical industry which had been thoroughly destroyed by the war.

The Workers' Party of Korea, therefore, directed great attention to the rehabilitation and development of the chemical fertilizer industry after the war.

Consequently 3.1 billion won were earmarked for the reconstruction of chemical industry during the post-war Three-Year Plan, of which 1.72 billion won were for restoring the Heungnam Fertilizer Factory, one of the biggest chemical fertilizer factory in Asia.

The investment in the field of chemical industry increased by 43 per cent in 1955 and by 109 per cent in 1956, as compared with 1954.

As a result of the concentrated investment in the field of chemical fertilizer production, in 1954, the first year of the Three-Year Plan, the sulphuric acid shop, the superphosphate of lime shop and the electrode shop of the Heungnam Fertilizer Factory, the Bongoong Chemical Factory and the Soonchun Nitro-lime Fertilizer Factory were already restored and started production.

In addition, the production facilities for such chemical products as paint, enamel and others were restored and put into operation.

In 1955, the production equipment for ammonium sulphate fertilizer and the ammonia shop of the Heungnam Fertilizer Factory as well as the carbide and caustic soda shops of the Bongoong Chemical Factory were put into operation. In 1956, sodium carbonate, ammonia, ammonium chloride and carbide were produced again at the Bongoong Chemical Factory and the carbide shop of the

Chungsoo Chemical Factory began operating.

While rehabilitating the Heungnam Fertilizer Factory, large scale construction of a new nitro-ammonium shop got under way since 1957, which will produce 100,000 tons of nitro-ammonium a year.

With the restoration of many damaged chemical factories, annual production capacity showed a marked rise in the Three-Year Plan period: 200,000 tons of ammonium sulphate, 52,800 tons of nitro-lime, 7,500 tons of ammonium chloride, 65,000 tons of ammonia, 146,000 tons of sulphuric acid, 7,000 tons of caustic soda, 7,500 tons of sodium carbonate and 149,000 tons of carbide.

Growth of Output of Chemical Products (1949=100)

	1949	1954	1955	1956	1956 1954	1956 1955
Chemical Fertilizer	100	5	21	49	888	227
of which:						
Nitro-lime	100	57	136	144	251	106
Ammonium sulphate	100	—	8	43	—	523
Caustic soda	100	—	37	66	—	180
Carbide	100	25	49	72	291	146

In the field of rubber goods, too, a number of rubber factories, including the Pyongyang and Shinuijoo Rubber Factories, were restored and expanded, and the production of various kinds of belts, hoses and other rubber goods increased.

The Three-Year Plan period also witnessed a significant development in the building-materials industry.

In 1956, the last year of the Three-Year Plan, the output of building-materials industry increased about 6 times the pre-war year 1949.

In the post-war Three-Year Plan period a vast capital construction was carried out in building-materials industry. For example, 1.3 billion won were invested in the construction of cement factories.

During this period, scores of building-materials factories, including the Kangnam and Daisung brick-yards which

can produce 150 million bricks a year, were newly built. Besides, the Seunghori, Chunnai-ri, Komoosan, Haijoo and Madong Cement Factories, the Nampo Glass-Works and many others were rehabilitated and commissioned.

The production capacities in this field were raised. As of the end of 1956, production of bricks increased 2.6 times and roof tiles 6.2 times over 1953, and cement by 43 per cent higher than at the end of 1954. In the post-war period, the annual capacity of producing sheet glass reached 2,400,000 square metres.

The rapid growth of the production of building-materials after the war made it possible to restore all destroyed factories, enterprises, transport and irrigation facilities, and to construct dwelling houses as well as educational, cultural and public health establishments.

Growth of Production of Building- Materials (1949=100)

	1949	1954	1955	1956
Cement	100	43	67	111
Bricks	100	755	14 times	15.7 times
Roof tiles	100	78	413	7 times
Artificial slates	100	118	319	365
Natural slates	—	100	150	160
Sheet-glass	—	100	7.1 times	8 times

During the post-war period, in order to develop timber industry 112 kilometres of forestry railways were laid and 32 lumbering centers were established.

Numerous saw-mills were erected in Yoopyung, Manpo, Wuiwon, Moosan, Hwakyung, Kiljoo, Hoiryung, Saingjang, Adeukpo, Soopoong, Dukchun, Jangjin, Boojun, Poongsuh, Changpyung, East Pyongyang, Yunsu and Yeuman. And the wood-working plants in East Pyongyang and the Kiljoo Wood-working Mill were rehabilitated and newly built.

In 1956, the volume of timber output topped the pre-war year 1949 by 60 per cent and the output of wood doubled.

On the basis of priority development of heavy industry, the production of consumer goods has considerably developed after the war.

In the post-war Three-Year Plan period, a state investment of 7.5 billion won was made in the capital construction of light industry, of which 2.2 billion won went for textile industry and 800 million won for food industry.

Many textile mills were put into commission in various parts of the country, notably in Koosung, Kaesong and Pyongyang. The Pyongyang Textile Mill has been rebuilt with the annual capacities of producing over 55 million metres of cotton fabrics. Then there are Shinuijoo Woolen Textile Mill, Pyongyang Spinning Mill, Anbyun and Pakchun Silk Mills, and Onsung Clothing Manufactory.

In food industry Ryongsung Meat Packing Plant, Pyongyang Corn-starch Factory, Shinuijoo and Chungjin Oil Plants were opened. Then Shinuijoo Enamelled Ironware Factory, Pyongyang Daily Necessaries Factory, Shinuijoo and Hoiryung Paper Mills, Kiljoo Pulp Mill, Ranam Tannery, Shinuijoo Alcohol Factory, Pyongyang Brewery along with Nampo Flour Mill and Pyongyang Tobacco Factory began operation. Altogether 30 light industrial factories were rebuilt or newly established.

Large scale work of building the Chungjin Spinnery is being carried out successfully.

Along with such rapid reconstruction of industrial enterprises under the direct control of the Ministry of Light Industry, production facilities under the provincial authorities and the producers' cooperatives were also greatly expanded.

In the provincial and cooperative industry foodstuff processing and daily necessities factories were newly built or rehabilitated. In 1956, some 160 provincial enterprises and 511 producers' cooperatives were carrying out their production plans.

The rapid rehabilitation of light industry sent up the production capacity to a new mark. As of the end of 1956, compared with the same period in 1953, it showed a remarkable increase: cotton fabrics 3.5 times; raw silk 2.2 times; rubber shoes 145 per cent; canvas shoes 2.6 times;

and paper 3.3 times. And when compared with the pre-war year 1949, cotton fabrics was as great as 7.6 times; raw silk 188 per cent; rubber shoes 172 per cent, canvas shoes 3.8 times; and paper 137 per cent. The production of silk fabrics increased over four times.

Thus, during the Three-Year Plan period, the volume of production of light industrial products considerably increased. Here is the corresponding table:

**Growth of the Production of
Light Industry (1949=100)**

	1949	1953	1954	1955	1956
Cotton fabrics	100	220	234	491	781
Cotton yarn	100	115	183	317	486
Silk fabrics	100	26	29	97	106
Raw silk	100	49	69	108	106
Woolen fabrics	—	—	100	117	13
					times
Socks	100	74	131	214	152
Underwear	100	57	144	262	370
Work clothes	100	302	7.9	8	12.5
			times	times	times
Leather shoes	—	100	138	148	247
Rubber shoes	100	94	165	159	181
Soy sauce	100	99	101	137	156
Bean-paste	—	100	99	156	208
Vegetable oil	100	85	86	88	111
Of which:					
Bean oil	100	93	94	97	120
Sojoo (Korean liquor)	100	58	60	83	107

In the field of fishery, too, there has been a considerable development after the war.

In 1956, the catch of fish exceeded the pre-war level of 1949 by 34 per cent and the processed marine products by 20 per cent.

In the post-war Three-Year Plan period, laying stress on the priority development of heavy industry in order to eliminate the colonial lopsidedness left by the rule of

Japanese imperialism and to build up the foundations for socialist industrialization of the country, the Workers' Party of Korea has ensured the simultaneous development of light industry with a view to improving rapidly the material living conditions of the people, who suffered much from the war.

As a result, in 1956, the output of the means of production grew 4 times compared with 1953 and that of consumer goods 2.1 times. The former exceeded the pre-war level of 1949 by 70 per cent and that of consumer goods by 110 per cent.

In the pre-liberation year of 1944, the output of the means of production in North Korea held an overwhelming proportion, i. e., 70.4 per cent of the total industrial output, while the output of consumer goods was only 29.6 per cent.

This disequilibrium resulted from the colonial economic structure under the Japanese rule. In their aggressive war the Japanese imperialists had laid more stress on the policy of developing heavy industry onesidedly in disregard of light industry.

Such excessive disequilibrium was considerably removed during the five years of peaceful construction after liberation, but a new disequilibrium, especially between heavy and light industries was created due to the severe destruction of heavy industry during the Fatherland Liberation War.

During the period of post-war reconstruction, great efforts were exerted to eliminate this excessive disequilibrium, so that heavy and light industries should form a proportional and new qualitative correlation.

The relative changes in the total industrial output are seen in the following table:

**Proportion of Output of Two Main Groups of
Large-scale Industries**

	1949	1953	1954	1955	1956
Group "A":					
Means of production	58.6	37.7	47.1	51.7	53.9
Group "B":					
Consumer goods	41.4	62.3	52.9	48.3	46.1
Total	100	100	100	100	100

The most important task in the post-war reconstruction period was to liquidate the colonial lopsidedness and deformity in the structure of industry and to create new industrial branches which would be the foundations for socialist industrialization.

As for the days of Japanese imperialism, Korea's industry was concentrated on the production of raw materials and half-finished goods. But industries producing finished goods, especially machine-building industry and even the light industrial branches which were of primary importance for the people's daily life, were almost non-existent or were in an extremely backward state.

Such disequilibrium in the development of industry became greater due to the division of the territory into two parts.

As to the proportion of output of various branches of industry in all Korea in 1944 under Japanese rule, North Korea held a place of prominence in the branches which produced raw materials and half-finished goods—ore mining 78 per cent, metallurgical industry 90 per cent (even in the branch of metallurgical industry the volume of production of steel was extremely small as compared with the output of pig iron) and fuel industry 88 per cent, while an extremely small proportion was held by machine-building industry. Textile industry and processed food industry made up 33 per cent and 39 per cent respectively.

In line with the economic policy of the Workers' Party of Korea with regard to the removal of the industrial disequilibrium of Korea, the backward branches of industry were reestablished with new facilities.

Thus the industrial production increased at a striking tempo and assumed a new appearance. The development of important industrial branches is to be seen in the following table:

Growth of Industrial Production

	1956 1946=100	1956 1949=100	1956 1953=100
Electricity	130	86	326
Fuel	240	80	709

Ore mining	561	141	187
Metallurgical industry	567	146	14 times
Machine-building and metal-working industries	21 times	397	321
Chemical industry	287	93	428
Building-materials industry	31 times	357	982
Glass and pottery	947	567	369
Textile industry	21 times	302	202
Fishery	720	92	384
Food industry	301	127	201

In the post-war rehabilitation and development of heavy industry, the Workers' Party of Korea directed its main efforts to the development of machine-building and metal-working industries which constitute the core of heavy industry, while developing more rapidly the metallurgical, chemical and fuel industries which had been severely destroyed by the war.

Before liberation, there had been in Korea some small-scale machine-building industry, but it was more or less of repair-shop type, while heavy machine-building industry, including generators and machine tools, had not been developed at all.

In 1944, the days of Japanese imperialism, the machine-building and metal-working industries were insignificant in gross output of industry, making up only 3.4 per cent (North Korea held only 1.6 per cent).

In the period of peaceful construction after liberation, the machine-building and metal-working industries rapidly developed, with the result that in 1949 their production grew 5.4 times compared with 1946.

In the post-war Three-Year Plan period, the machine-building and metal-working industries developed on a new and sound foundation. In 1956, the production in this field increased 3.2 times compared with 1953, 4 times compared with the pre-war year 1949 and 21-fold as against 1946.

In 1956, the proportion of the production of machinery

such as machine tools, power and electric equipment occupied 58 per cent in the machine-building and metal-working industries.

The textile industry which is of primary importance for the improvement of the people's living standards after the war developed considerably.

The volume of per capita production of various kinds of fabrics increased from 1.3 metres in 1949 to 8.9 metres in 1956.

From the above we can see that a great change took place in the structure of industry in the post-war Three-Year Plan period, and the colonial lopsidedness and deformity were conspicuously eliminated.

The following table shows the change in the composition of industry after liberation.

**Relative Changes in Composition of
Industry (in North Korea)**

	1944	1949	1954	1955	1956
Total	100	100	100	100	100
Of which:					
Fuel industry	3.8	4.1	1.7	1.8	1.8
Mining industry	15.7	8.1	6.8	5.8	6.1
Metallurgical industry	13.3	11.6	5.0	8.1	8.6
Machine-building and metal-working industries	1.6	8.1	16.9	17.8	17.3
Textile industry	6.0	11.4	18.7	17.2	18.4
Food industries	7.8	19.4	17.9	15.8	13.2

In the post-war Three-Year Plan period, a definite change also took place in the geographical distribution of industry.

In the days of Japanese imperialism, the colonial lopsidedness in the geographical distribution was keenly felt in Korea's industry.

In the reconstruction of industry after the war, the Workers' Party of Korea directed serious attention to a rational distribution of industry, and to liquidation of all colonial features. In other words, measures were taken to place the industrial enterprises, first of all, in such localities that raw

materials and manufactured goods can be brought in and shipped out easily. At the same time national defence was taken into consideration.

As a result, during the post-war three-year period of reconstruction, industrial centres have been formed on a basis of maintaining close connection between localities of production and consumption, of accelerating comprehensive development of industries, of effecting rational utilization of local raw materials and of keeping organic relations among industry, agriculture and transport.

The geographical changes in the distribution of the productive forces of industry according to the post-war Three-Year Plan are illustrated in the following table.

**Proportional Changes in Geographical
Distribution of Industry**

	1949	1951	1954	1955	1956
Pyongyang City	20.5	13.9	19.6	21.1	26.7
South Pyongan Province	12.6	14.7	12.3	12.4	11.0
North Pyongan Province	10.8	29.6	24.0	19.3	17.6
Jagang Province	1.7	6.7	7.5	7.6	7.3
South Hwanghai Province	2.4	3.0	1.4	1.5	1.5
North Hwanghai Province	7.5	2.9	2.7	3.3	2.9
Kangwon Province	8.5	3.3	2.8	3.6	3.5
South Hamkyung Province	21.7	9.0	13.0	13.4	13.0
North Hamkyung Province	13.2	14.1	13.7	14.6	13.0
Ryanggang Province	0.7	2.8	2.0	2.3	2.1
Kaesong City	0.4	—	1.0	0.9	1.4
Total	100	100	100	100	100

One of the great successes achieved in the rehabilitation of industry after the war was large-scale technical reconstruction.

In the Three-Year Plan period, the obsolete industrial facilities were replaced with up-to-date ones which were sent by the Soviet Union, the German Democratic Republic and the Czechoslovak Republic and other brotherly countries. Along with the new construction of large scale industrial

enterprises a fundamental, qualitative change took place in the technical equipment of our country's industry.

The post-war technical reconstruction of industry was carried out by equipping not only with the up-to-date facilities sent from the advanced friendly countries, but also with a great deal of machinery, such as metal-cutting machines, mining equipment, winches and cranes, pumps and compressors produced in the machine-building factories newly established in Korea.

In the post-war Three-Year Plan period, the technical reconstruction work was carried out at a rapid tempo. In 1956, the production of various kinds of up-to-date machines surpassed by 29 per cent over 1953, of which motor equipment by 25 per cent, metal-cutting machines by 34 per cent, forging equipment by 55 per cent, winches and cranes by 26 per cent, pumps and compressors by 23 per cent, wood-working equipment by 120 per cent, and excavation equipment by 100 per cent.

With the rapid technical reconstruction after the war, the Workers' Party of Korea displayed its deep concern for the training of skilled workers in view of a considerable lack of technical personnel due to the evil consequences of the protracted colonial rule and the war provoked by the U.S. imperialist aggressors.

Even under the difficult circumstances of the war, positive measures were taken to train technical personnel by every possible means. Some were trained in the educational institutions; others were sent abroad. A means of practical training was also employed. As a result, 12,000 technicians were trained in the post-war Three-Year Plan period and today they are working in various branches of the national economy. More, 32,000 skilled workers have been trained in technical short courses and trade schools.

Experts and engineers sent from the Soviet Union and the People's Democracies have done much to solve the important problem of industrial technique facing our country's industry.

The entire industrial workers tried hard to put numerous advanced methods and inventive proposals into

effect, displaying their creative initiative, while constantly elevating their technical levels.

During this period, over 17,000 inventive proposals, including the improvement of technology and rationalization of the process of production, were advanced, and great achievements were attained in raising utility rate of equipment and in effecting rational consumption of raw materials. Moreover, they did their utmost to raise the quality of manufactured goods while lowering the cost of production.

In the branch of metallurgical industry, the per cubic metre output of blast furnace volume showed an increase of 12 per cent in 1956 higher than the pre-war level and the average output of steel per square metre of hearth area of open-hearth furnaces increased by 39 per cent.

During this period, a time of heating was shortened by 4 hours and 42 minutes in a 20-ton electric furnace, by 6 hours and 17 minutes in a 15-ton furnace, by an hour and 33 minutes in a 10-ton furnace and by 2 hours and 27 minutes in a 5-ton furnace. The volume of per hour production by block roller was as great as 2.4 times, large-size roller—116 per cent, medium-size roller—210 per cent, and small-size roller—189 per cent.

The operation rate of blast furnaces was raised 2.4 times in 1956 compared with the pre-war period and 4 times over the days of Japanese imperialism.

In the branch of mining, the efficiency of ore dressing was elevated in 1956 by 3-5 per cent as compared with 1953, and the quality of dressed ores was also considerably improved.

In the branch of chemical industry, the production of ammonia in the Heungnam Fertilizer Factory increased much in 1956 as compared with the pre-war period; the volume of per day production in each compound tower increased by 33 per cent, and the output of dilute sulphuric acid by 45 per cent. The volume of nitrogen contained in ammonium sulphate was 20.8 per cent. This is 0.2 per cent higher than in the pre-war year 1949.

In 1956, the per hour production of clinker in each kiln in the Seunghori Cement Factory increased by 33 per cent

as compared with the pre-war year 1949.

In the field of light industry, the operation rate of spinning-jenny in textile mills was elevated by 17.8 per cent in 1956 as compared with 1953, and that of cotton loom by 10 per cent. The rate of actual production of raw silk was elevated by 4.2 per cent. In the post-war period, the quality of silk fabrics was further improved, and the production of georgette and patterned fabrics considerably increased. The turnover of boilers in pulp mills was elevated by 33 per cent, and that of bean oil by 1.7 per cent.

By virtue of the introduction of new technique, rationalization of the process of production, the technical level of workers, and labour productivity rapidly increased during the post-war Three-Year Plan period.

The labour productivity in the field of industry was raised by 94 per cent in 1956 as compared with 1953 and by 52 per cent as against the pre-war year 1949. An increase of 68 per cent in the total industrial output during the Three-Year Plan period was due to the elevation of labour productivity.

In the Three-Year Plan period the cost of industrial production was lowered by 16 per cent in 1955 compared with 1954 and by 7 per cent in 1956 as against 1955.

The per unit cost of manufactured goods was also lowered during this period—electricity by 37 per cent, refined lead by 11 per cent, refined zinc by 20 per cent, refined copper by 28 per cent, sheet steel by 20 per cent, bricks by 26 per cent, nitro-lime by 31 per cent, cotton fabrics by 41 per cent, silk fabrics by 21 per cent, canvas shoes by 25 per cent, electric bulb by 29 per cent, bean oil by 26 per cent and bean paste by 33 per cent.

In the post-war Three-Year Plan period, our country's industry was shaped into a new, modern and independent national industry, and its leading position in all branches of the national economy was further strengthened.

The proportion held by industry in the total output of industry and agriculture is constantly on the increase. In 1946, it was only about 28 per cent but about 47 per cent in 1949 and about 60 per cent in 1956, with the result that the correlation between industry and agriculture has been changed qualitatively.

2. Agriculture

After the war a rapid development of agriculture was to be made along with the overall rehabilitation of national economy.

It was one of the most important tasks confronting the Workers' Party of Korea and the Government of the Republic to develop rapidly agriculture. Without rehabilitating and developing speedily agriculture it was impossible to restore quickly the industry from the war devastation and raise sharply the living standards of the people.

Especially, due to the destruction by the war, agriculture lagged far behind the other branches of the national economy.

In order to liquidate such backwardness in agriculture after the war the Plenum of the Central Committee of the Workers' Party of Korea took successive measures for the rapid development of agriculture.

The Party corrected, first and foremost, the mistakes of some agricultural and planning personnel, who had underestimated the war damage suffered by agriculture, and drew up too ambitious plans in disregard of the actual conditions.

The Party took measures to enlarge arable land and utilize the land to the maximum to lay the material foundations of the war-devastated agriculture. Steps were also taken to make a vast capital investment in the rehabilitation and expansion of large scale irrigation projects and agricultural facilities. Moreover, the Party called for producing more chemical fertilizers, reinforcing labour power and enhancing the level of guidance of agriculture by Party and government bodies.

In order to restore the rural economy, the Government of the Republic invested much more state funds in 1955 and 1956 than in 1954. The total amount of the investment made by the state during the Three-Year Plan period reached 7.4 billion won, or 1.8 billion won more than the original sum envisaged in the plan.

Particularly, 4.2 billion won, or 56 per cent of the total, were invested in the irrigation and river dike projects. This was a decisive factor for increasing grain production, for expanding 123,000 jungbo of arable land and for building river dikes capable of protecting 160,000 jungbo.

In connection with the measures taken for increased grain production, a nation-wide movement was unfolded to expand the area under irrigation.

During the post-war Three-Year Plan period, an additional area of 87,000 jungbo was brought under irrigation as a result of the completion with state funds of large scale irrigation projects. The Pyongnam, Seungho and Kangnam projects are majestic ones. The newly completed Pyongnam Irrigation System put 30,000 jungbo under irrigation. In addition, the peasants expanded 47,000 jungbo of irrigated land by constructing medium and small sized river dikes and irrigation canals.

As a result, the proportion held by the area under irrigation in the total area of rice fields increased from 47 per cent in 1953 to 74 per cent in 1956.

During the Three-Year Plan period, a large number of irrigation facilities, including 51 reservoirs and 686 water-pumping stations, were restored or newly built, and the water pumping capacity increased to 2.9 times.

It was one of the most urgent tasks after the war to supply the countryside with more chemical fertilizers in order to assure the increased production of grain and to raise the per hectare yields.

The rapid rehabilitation of the Heungnam Fertilizer Factory, the Bongoong Chemical Factory and the Soonchun Nitro-lime Fertilizer Factory, which had been destroyed during the war, made it possible already in 1954 to supply the countryside with chemical fertilizer. The supply of chemical fertilizer in 1956 was 180,000 tons more than in 1953.

The leading role of the state machine-hire stations increased greatly in the post-war agricultural development. The machine-hire stations, established after the war in all parts of the northern part of the Republic, enabled the farmers to be familiar with advanced agricultural methods.

The machine-hire stations provided a material guarantee for overcoming the shortage of power and labour in the countryside as well as the backwardness of farm implements. They help to bring about a gradual mechanization of farming and to increase crop yields, thus paving the way for the socialist development of agriculture. Moreover, they play an important part in making the peasants realize the necessity and superiority of cooperative farming.

Today, machine-hire stations are helping the peasants in many ways — tilling, sowing, weeding, harvesting, threshing and transportation.

In 1956, the number of machine-hire stations increased 9.6 times as compared with 1950, the year when they were founded, the number of tractors (in terms of 15 h.p.) increased 13.9 times and the area cultivated by tractors increased 74 times during this period.

The increase of the number of machine-hire stations and tractors as well as the expansion of the area cultivated by them can be seen in the following table.

Number of Machine-Hire Stations and Tractors

	1953	1954	1955	1956
Number of machine-hire stations	15	16	45	48
Number of tractors (in terms of 15 h.p.)	500	515	1,957	2,072
Acreage of tillage (1,000 jungbo)	95	162	366	487

Rate of mechanization in proportion to the area under cultivation was 4.2 per cent in 1953, but it increased 7.1 per cent in 1954, 10.2 per cent in 1955 and 11.7 per cent in 1956.

As machine-hire station network was being expanded, measures were taken to enhance their role; able workers were assigned to the stations; an enormous sum of funds was spent on expanding the facilities; engineers, technicians and tractor drivers were trained.

For the purpose of raising labour productivity in agriculture it was also necessary to supply farms with various

kinds of advanced farm machines and implements, including animal-drawn weeding machines, animal-drawn seeders, thrashing machines, fan-blowers and others. And at the same time, it was necessary to popularize advanced farming methods among the peasants.

In the recent period, the Workers' Party of Korea and the Government of the Republic encouraged the study and popularization of advanced farming methods by reinforcing various agricultural research institutions, including the Agricultural Research Institute under the Academy of Sciences, agricultural colleges and specialized schools and other technical training institutions.

During the Three-Year Plan period, the work of raising seed was reinforced, and excellent seeds were supplied to the peasants. And advanced farming methods (for instance, rice seedling on cold beds or dry fields, which give a considerably high yield) and wide-row and criss-cross sowing were widely introduced.

One of the great successes achieved in the field of agriculture during the post-war period was the rapid cooperativization of private farming and the further organizational and economic strengthening of cooperatives.

The economic structure of the Republic is based on the large scale state industry with socialist character on the one hand, and on the other, the scattered private farming with character of small-scale commodity production. It was, however, impossible to keep these two different economic systems in harmony any longer.

Since the land reform, the rural economy of the Republic had constantly made rapid development, but its tempo lagged far behind rate of industrial development. Had such state of affairs been kept up, a definite disequilibrium would have been created between town and the countryside, that is, between industry and agriculture.

The Workers' Party of Korea, therefore, set forth, in accordance with the inevitable law of the development of national economy, an important task of turning gradually the small scale private farming into a large scale cooperative farming.

The experiences gained by the great Soviet Union in its socialist construction clearly demonstrated that, compared with the old, small individual farming the large scale cooperative farming could make agriculture develop far more rapidly by utilizing the success of science and new technology, and proved that cooperatives were the only way for the peasants to get rid of poverty for good.

Pointing to the great significance of agricultural co-operativization, Premier Kim Il Sung said:

"The cooperativization of our country's individual farming, which has existed for thousands of years, means a fundamental change in the development of our country's rural economy.

"This will play a great part in the overall economic and political development of our country, accelerate the increase of socialist elements in rural economy and assure the ultimate victory in socialist construction. The co-operativization can improve the economic position of the peasants."

The gradual transition from private farming to cooperative one is not only a demand of economic laws under socialism but also an essential condition for solving ultimately the most urgent question of the dwarfed peasants.

During the war, Korean peasants realized through their own experience the advantage of cooperatives under the circumstances that they were suffered from a shortage of manpower and draught animals.

Taking into full account such objective conditions and the degree of the peasant masses' political awakening, the Workers' Party of Korea undertook after the armistice to organize agricultural cooperatives on an experimental basis.

In 1955, the agricultural co-op movement began to assume a mass character. In pursuing the cooperative policy the Workers' Party of Korea paid special attention to the strict observance of voluntary principles relied on the poor peasants.

As a result, the agricultural cooperatives were widely organized everywhere in the northern part of the Republic, and these cooperatives became the dominant forces in rural economy.

The development of agricultural cooperative movement is illustrated in the following table.

Growth of Agricultural Co-operatives				
	1953	1954	1955	1956
Number of agricultural cooperatives	806	10,098	12,132	15,825
of which:				
Second Form*	—	2,176	950	392
Third Form*	—	7,922	11,182	15,433
Percentage of farm households embraced in cooperatives	1.2	31.8	51.0	80.9
Percentage of arable land under cooperatives	0.6	29.3	48.6	77.9

**Second Form*: the land is collectively used, but the ownership of land still remains with the original owners. The size of land for personal use of each cooperative member is 70-150 pyung (1 pyung corresponds to approximately 1:3,000 hectare) in level land and 100-200 pyung in mountainous area.

When a co-operative purchases the basic means of production such as draught animals, farm implements and fishing tackle, as well as office buildings and production facilities, these are turned to the common ownership of the co-operative.

Every farm household can possess personally one cattle, two pigs, two sheep and some poultry.

Products are distributed among the co-operative members according to their work-days.

Those members who contributed land to the co-op are given a special share within the limit of 20 per cent of farm produce.

**Third Form*: the ownership of the means of production and its size are the same as the second form, but the distribution of farm produce and incomes from side-line is made according to work days of cooperative members without regard to the ownership of the means of production.

With the strengthening of the material and technical foundations of the rural economy after the war, the agricultural cooperatives have been further strengthened organizationally and economically. The agricultural cooperatives

have grown more than four times both in the number of farm households and in the area of arable land.

Here is the corresponding table:

Average Size of Agricultural Co-operatives

	Average number of farm households embraced in a cooperative	Average arable land under a cooperative
July 1953	12.6	20.6 jungbo
June 1954	18	30
June 1955	39.4	70.8
June 1956	49.8	81.8
December 1956	54.7	88.3 „

As the agricultural co-operative movement developed on a mass scale, the size of the agricultural cooperatives became larger. With admission of new members into co-operatives larger scale co-ops appeared.

Composition of Agricultural Co-operatives (in percentages)

	December 1954	June 1955	June 1956	December 1956
Less than 30 households	57.0	43.4	26.8	23.0
31-50 households	27.7	33.8	33.9	33.0
51-100 households	13.1	20.3	32.7	35.4
101-200 households	2.2	2.4	6.3	7.9
over 200 households	—	0.1	0.3	0.7
Total	100	100	100	100

Such rapid development of the agricultural co-operative movement in our country after the war was possible due to the following facts:

Firstly, the land reform was thoroughly carried out under the leadership of the Workers' Party of Korea after the August 15 Liberation; forces hostile to agricultural co-operative movement were almost extinct in the course of the Fatherland Liberation War;

Secondly, most of our peasants, who had long been en-chained in the feudal land system, have a bitter experience

of cruel exploitation by Japanese imperialists and landlords. They have a revolutionary tradition of struggle for land, rice and liberation, and that they are awakened politically in their new life after liberation;

Thirdly, such forms of common labour as the "labour-exchange team" and the "mutual-aid team" which had existed in the countryside since the old days were widely made use of during the war, because of the shortage of manpower and draught animals, and especially, the co-operatives organized in the past period on an experimental basis demonstrated a great superiority.

All these encouraged and stimulated the peasants to take the road to co-operative farming. This signifies the victory of the correct policy of the Workers' Party of Korea with regard to the socialist transformation of the countryside.

Now the co-operative farming has conspicuously raised agricultural productivity and increased farm produce.

Together with the agricultural co-operative movement, the state farms and livestock farms which play a leading role in guiding the agriculture of the Republic along the socialist line have been further strengthened and developed in the post-war period. They have assumed an important position in the introduction of advanced farming methods and knowledge.

By the end of 1956, the number of state farms and livestock farms increased 5 times compared with the pre-war year 1949, and the area of land under cultivation increased 7 times.

The growth of state farms and livestock farms after the war is as follows.

Number of State Farms and Livestock Farms

	1949	1953	1956
Number of state farms and livestock farms	37	213	188
Socialized arable land (1,000 jungbo)	8	57	63

**The decrease of the number of state farms and livestock farms*

in 1956 is due to the merger of small scale provincial livestock farms.

Thanks to the effective measures taken by the Workers' Party of Korea and the Government of the Republic, the material and technical foundations for the development of rural economy were built in the Three-Year Plan period, and by 1956, the last year of the Three-Year Plan, the agricultural output increased rapidly.

During the Three-Year Plan period, the area under rice increased by 61,000 jungbo and the area under corn by 367,000 jungbo.

The growth of the sown area after the war can be seen in the following table.

Growth of Sown Area
(1953=100)

	1954	1955	1956	1956 (1949=100)
Total sown area	102	101	105	101
Grain	100	99.9	103	103
Of which:				
rice	105	105	114	129
corn	98	139	252	216
soya bean	104	91	100	106
Tobacco	160	187	229	130
Vegetables	149	154	149	157
Potatoes	101	107	143	102

After the war, the Workers' Party of Korea has been paying constant attention to increase the area under rice crop, the staple food in our country, while unfolding a nation-wide movement for the expansion of corn fields.

As a result, the proportion held by rice in the total area was 20.4 per cent in 1956 while it was 16 per cent in 1949, and the acreage of corn crop increased from 11.8 per cent to 25.2 per cent during this period.

The total output of grain harvested in 1956 amounted to 2,870,000 tons, exceeding by far the highest pro-

duction figure of the Japanese colonial days and the pre-war days.

The growth of the output of farm produce after the war is as follows:

Growth of Farm Produce
(1953=100)

	1954	1955	1956	1956 (1949=100)
Total output of grain	96	101	124	108
Of which:				
rice	84	101	113	120
corn	137	161	342	204
soya-bean	91	68	110	121
Tobacco	161	154	494	114
Vegetables	120	133	228	138
Potatoes	153	145	233	130

Under the circumstances that the supply of chemical fertilizers was considerably reduced after the war as compared with the pre-war years, the peasants made wide use of home-made manure, and introduced advanced farming methods. Consequently many co-ops succeeded in harvesting high yields of crops.

In 1956, the Bonghwa Agricultural Co-op in South Hamkyung Province scored a high production record—an average of 5,620 kg. of rice per jungbo, 15 tons of potatoes and 34 tons of vegetables; the Keunro Agricultural Co-op in Kangwon Province — an average of 2,545 kg. of corn per jungbo; the Junjin Agricultural Co-op in North Pyongan Province—an average of 1,427 kg. of wheat and barley per jungbo.

As a result, in 1956 the average per jungbo yield of grain was 20 per cent greater than in 1953, of which wheat and barley 12 per cent, kaoliang 30 per cent, corn 35 per cent, and beans 10 per cent; the average per jungbo yield of tobacco was 115 per cent, hemp 39 per cent, vegetables 52 per cent and potatoes 76 per cent higher than in 1953. The output of grain in 1956 exceeded the pre-war level of 1949 by 6 per cent.

in 1956 is due to the merger of small scale provincial livestock farms.

Thanks to the effective measures taken by the Workers' Party of Korea and the Government of the Republic, the material and technical foundations for the development of rural economy were built in the Three-Year Plan period, and by 1956, the last year of the Three-Year Plan, the agricultural output increased rapidly.

During the Three-Year Plan period, the area under rice increased by 61,000 jungbo and the area under corn by 367,000 jungbo.

The growth of the sown area after the war can be seen in the following table.

Growth of Sown Area
(1953=100)

	1954	1955	1956	1956 (1949=100)
Total sown area	102	101	105	101
Grain	100	99.9	103	103
Of which:				
rice	105	105	114	129
corn	98	139	252	216
soya bean	104	91	100	106
Tobacco	160	187	229	130
Vegetables	149	154	149	157
Potatoes	101	107	143	102

After the war, the Workers' Party of Korea has been paying constant attention to increase the area under rice crop, the staple food in our country, while unfolding a nation-wide movement for the expansion of corn fields.

As a result, the proportion held by rice in the total area was 20.4 per cent in 1956 while it was 16 per cent in 1949, and the acreage of corn crop increased from 11.8 per cent to 25.2 per cent during this period.

The total output of grain harvested in 1956 amounted to 2,870,000 tons, exceeding by far the highest pro-

duction figure of the Japanese colonial days and the pre-war days.

The growth of the output of farm produce after the war is as follows:

Growth of Farm Produce
(1953=100)

	1954	1955	1956	1956 (1949=100)
Total output of grain	96	101	124	108
Of which:				
rice	84	101	113	120
corn	137	161	342	204
soya-bean	91	68	110	121
Tobacco	161	154	494	114
Vegetables	120	133	228	138
Potatoes	153	145	233	130

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In the fields of sericulture and fruit-growing considerable success was achieved after the war.

As one of the major means of rapidly improving the people's living standards and of developing light industry in the post-war period, the Workers' Party of Korea and the Government of the Republic directed deep concern to the development of sericulture. In view of the fact that several large-scale silk mills were newly erected, measures were taken to expand considerably mulberry cultivation. Consequently waste mulberry fields were restored, and the raising of mulberry seedlings was stepped up. Agricultural co-op members as well as individual peasants were encouraged to take an active part in sericulture and to improve the method of silk-worm breeding.

In 1956, the area of mulberry fields increased to 183 per cent as against 1953 and the output of cocoons 128 per cent. Especially, tusser silk-worm increased 14-fold during the same period.

Measures were taken to restore the cultivation of various kinds of fruits,—one of the important sources of export. As a result, in 1956 the volume of production of fruits surpassed by 5 per cent over 1953, and 10,200 tons of apples were exported.

During the Three-Year Plan period, livestock-breeding was recovered from the damage suffered during the war, and material conditions for its future development were created.

The Workers' Party of Korea and the Government of the Republic has taken since liberation a series of measures for the development of livestock-farming; many state-owned livestock farms and breeding grounds were established; pastures and grazing lands were opened; funds and breeders were made available for the peasants; veterinary establishments and supplies were extended.

Under the Japanese rule, livestock farming had been almost in a state of ruin. But after liberation, thanks to the appropriate measures taken by the Party and the Government, it made marked progress. As a result, in the first half of 1950, right before the war, the total number of cows increased 1.8 times as compared with that in 1946

and pigs 4.3 times. Already by the end of 1949, almost all farm households without cattle disappeared in the northern part of the Republic.

However, during the war the atrocities of the American imperialists and the traitorous Syngman Rhee clique caused tremendous loss to livestock farming. Large numbers of livestock were slaughtered by them, and the material foundation for the development of livestock farming was seriously damaged.

In the post-war period the Workers' Party of Korea and the Government of the Republic took positive steps to lay the foundation for the livestock farming. State and provincial livestock farms were extensively established to distribute widely better breed of animals. Moreover, the Government put a strict restriction on animal slaughter and abolished the obligatory purchase of meat to give the peasants stimulus to raise more animals.

During the post-war Three-Year Plan period, the state and provincial livestock farms distributed to agricultural co-operatives and individual farmers 90,000 head of pigs, over 400,000 poultry and a large number of other animals. They did much to popularize knowledge of advanced livestock farming among the farmers and to improve the veterinary work.

In consideration of insufficient land for fodder growing in Korea, silage production was encouraged on a nationwide scale. In 1956, 1,820,000 tons of silage were produced and the output of fodder crops increased 4.3 times as compared with 1953. As a result, in 1956 the livestock-breeding exceeded by far the pre-war level, except the Korean cows.

The growth of the livestock after the war is shown in the following table:

Growth of Livestock
(1953=100)

	1953	1954	1955	1956	1956 (1949=100)
Milch cow	100	111	129	189	126
Korean cow	100	89	88	96	62

Horse	100	289	209	236	171
Sheep	100	143	230	289	603
Goat	100	273	385	611	1,012
Pig	100	116	81	131	108

In 1956 sheep increased 2-fold, goats 12-fold and pigs 1.8-fold compared with 1944, the days of Japanese imperialism. The output of meat was 3.6 times that of 1953, milk 172 per cent and wool 186 per cent.

Remarkable success was also achieved in the field of forestry after the war.

Due to the unrestrained lumbering for military use at the last stage of Japanese imperialism and due to the barbarous bombings of the American imperialist aggressors, forestry was laid waste.

Together with the afforestation work in the Three-Year Plan period, projects for preventing land-slide were widely carried out. During this period over 940,000,000 trees were planted in an area of 190,000 jungbo.

During the post-war Three-Year Plan period crop and livestock raising made such rapid development that in 1956 the total agricultural output surpassed by 40 per cent above the 1953 level and exceeded by 6 per cent above the pre-war level of 1949.

3. Transport and Communications

Together with the rapid development of the national economy, the transport and communications which had been destroyed during the war were rapidly rehabilitated and expanded in the post-war period.

Due to the aggressive policy of the Japanese imperialists, the railways in Korea before the liberation developed in a deformed way and had the character of colonial lopsidedness.

The Japanese imperialists laid railways in such a way as to meet their unlimited aggressive, predatory and exploitation purposes, not in the interests of developing Korea's economy.

The Japanese imperialists did not construct in Korea any large factories to facilitate the operation or repairing of railways. All important accessories of rolling-stock had to be supplied entirely from Japan.

The Japanese imperialists not only constructed railways in Korea irrationally and in a deformed way, but severely destroyed, at the time of their surrender, numerous transportation facilities, including 252 locomotives, 229 passenger cars and 1,308 freight cars, bridges, tunnels and tracks. In the short space of time after liberation, however, the railway facilities were quickly restored. In 1949 the railway haulage increased 5-fold compared with that of 1946.

But, due to the war provoked by the U.S. imperialists, almost all railway facilities, stations and bridges, etc., were destroyed by bombing. The freight turnover showed a drop of 35 per cent as compared with the pre-war year 1949.

After the truce the quick restoration of railway services was raised as an urgent question, especially from national economic point of view.

During the post-war Three-Year Plan period, the Government of the Republic invested 10.6 billion won in the reconstruction of transport and communications.

As a result, 71 km. of trunk line, 51 km. of electric railway between Yangduk and Chunsung and 225 km. of station yard tracks were completely restored during the Three-Year Plan period. And 228 railway bridges, large and small, including the Chungchun and Taidong bridges, 30 tunnels and 22 protection walls were restored.

Many railway repair shops, such as the Wonsan, West Pyongyang, Chungjin and Raheung railway factories, were rehabilitated, and 17 locomotive yards, including the West Pyongyang, Kowon and Jungjoo, were put into operation. Then Shinuijoo, Kanggye, Kaesong and many other railway stations were restored better than before.

The rolling-stock also increased considerably. In 1956, the number of locomotives increased by 26 per cent compared with 1953, freight cars 2.1 times and passenger cars 2.7 times. Already by the end of 1953 the train

services were restored on all the railway lines and the transport capacity increased markedly.

The post-war three-year railway haulage plan was overfulfilled by 3 per cent and the railway freight turnover by 12 per cent.

The railway haulage in 1956 amounted to 18,280,000 tons and the railway freight turnover 4.3 billion ton kilometres. The railway haulage exceeded by 12 per cent over the pre-war level of 1949 and the freight turnover by 26 per cent. The number of passengers by railway transport increased by 8 per cent compared with the pre-war year 1949.

Thanks to the devoted struggle of the railway workers after the war, the railway operation was notably improved and the utilization of rolling-stock was further elevated.

In 1956, the turnaround of freight cars was reduced by 38 hours and 40 minutes and the average running distance of locomotive per day increased by 6 per cent as against the pre-war year 1949.

In 1956, the commercial speed of train increased by 9 per cent compared with the pre-war year 1949, and the average traction tonnage of freight train increased by 14 per cent compared with that of 1954.

The post-war Three-Year Plan period saw the openings of Pyongyang-Moscow and Pyongyang-Peking through trains, thereby further strengthening international ties.

The motor transport played a notable part in the field of transport of the Republic after the war.

In 1956, the number of motor lorries increased to 129 per cent compared with the pre-war year 1949 and the total length of motor routes increased by 1,245 km. compared with the pre-war year 1949.

During this period, the Hichun Automobile Accessories Factory, which will in the future be turned into an automobile manufacturing factory, was newly established, and the Central Automobile Repair Shop and the Pyongyang Automobile Repair Shop and many others were rehabilitated and expanded.

The automobile transportation envisaged in the Three-Year Plan was overfulfilled by 37 per cent; the freight ton-

nage increased 6.3-fold in 1956 compared with the pre-war year 1949 and the turnover of freight 3.7-fold.

The motor transport network for passengers also expanded in numerous cities, as well as in the mountainous areas where traffic was otherwise very inconvenient. And its service has been further improved.

In 1956, the number of buses increased by 55 per cent compared with that in 1954, bus lines by 66 per cent and the number of passengers 8.5-fold.

In 1956, the operation rate of motor lorries increased by 22 per cent compared with the pre-war year 1949.

Sea and river transport also greatly developed after the war.

In 1956, sea and river freight carriage increased by 16 per cent compared with the pre-war year 1949 and passengers by 27 per cent.

During the post-war Three-Year Plan period, international and home air lines were opened, and passengers surpassed by 62 per cent in 1956 over the 1954 figures.

The Three-Year Plan saw the complete restoration of communications destroyed by the war. Telephone and telegraph communication facilities between the city of Pyongyang and the seat of province, between the seat of province and that of county as well as the telephone lines in cities were rehabilitated and expanded.

In 1956, the total length of telephone lines rose to 123 per cent compared with 1953, the total length of the long distance telegraph and telephone circuit lines to 139 per cent, the capacity of telephone stations in cities to 152 per cent and the number of post offices to 111 per cent.

During the post-war Three-Year Plan period, the Central Broadcasting Station with the capacity of 150 kilowatt, equipped with modern facilities, was newly constructed. In 1956, 221 more radio-relay-through-wire stations were established than in the pre-war year 1949 and the radio-relay power increased 18-fold. The number of radio listeners increased 4 times that of 1953.

During the post-war Three-Year Plan period, international telephone lines were opened between Pyongyang

and Moscow, Peking, Prague, Warsaw, Berlin, Budapest, Sofia, Bucharest and Ulan-Bator.

4. Improvement of Material and Cultural Standards of the People

It has been the supreme principle governing the activities of the Workers' Party of Korea to pay constant attention to the improvement of the material welfare and cultural standard of the people.

In the post-war period the Workers' Party of Korea and the Government adopted a series of important measures for raising the people's living standards deteriorated during the war time.

The national income, the basic index of the people's living standards, increased considerably in the post-war period as a result of the growth of industry and agriculture, rise of labour productivity, and reduction in the cost of production. In 1956 the total national income was 2.1 times as much as in 1953, and 1.5 times greater than in the pre-war year 1949. Notwithstanding a huge sum of funds was required for the post-war reconstruction, the Government appropriated over three quarters of the national income for the improvement of people's living standards.

During the Post-war Three-Year Plan period crop number of employment saw an increase of more than 234,000, which meant 243,000 more than the pre-war year 1949. In 1956, the number of factory and office workers reached 308,000.

In the post-war period, the Party and the Government systematically cut down the state retail prices of daily necessities and implemented measures for raising the monetary wages of workers and office employees. These were possible because of the ever-increasing production of consumer goods, steady growth of labour productivity and the reduction in the production cost.

In August 1953, immediately after the armistice, prices of cotton fabrics, rubber and canvas shoes and liquor were reduced, and, in December of the same year, prices of many

commodities including footwear were remarkably reduced. Following the price reduction of 290 items in October 1954, and 260 items in 1955, in 1956 the average price cuts of 10.3 per cent was effected on 550 items, some cuts half as much.

Such successive price cuts brought about a general lowering of the price level in state and cooperative trade, as well as in private trade.

The following table shows annual reduction of prices in the post-war three year period:

Price Index (1953=100)			
	1954	1955	1956
Retail prices in state and co-op trade			
(ration goods included)	62	60	55
Of which non-ration goods	62	53	48
In private trade	68	60	48
In general	63	60	54

In the post-war period, the population derived a benefit of more than 78 billion won from the price cuts.

While reducing prices of consumer goods, the Government effected an increase of monetary wages of factory and office workers. In April 1954, a decision was taken to effect the average 25 per cent extra pay and year-end bonus. Consequently, the monetary wages in 1955 were 35 per cent higher than in 1953. Thus factory and office workers received a benefit of more than 7 billion won in two years. In November 1956, the Workers' Party of Korea and the Government adopted another measures to increase the monetary wages of factory and office workers by 35 per cent on an average. As a result, the wages increased by 58 per cent in the short period of three years. In December 1956 the wages were 2.1 times as compared with those in December 1953 and the average monthly wages 2.3 times the pre-war year 1949.

With an increase of monetary wages of factory and office workers and the price cuts, in 1956 their real wages exceeded the pre-war year level of 1949.

Moreover, in the post-war period workers and office employees received a large sum of social security and social

insurance allowances apart from paid vacations in rest homes and summer camps, free medical treatment, and free education in accordance with the primary compulsory education, etc. The state appropriated 7.9 billion won in 1954, 9.5 billion in 1955 and 12.1 billion won in 1956 for cultural purposes. Accordingly the workers' real incomes increased remarkably during the period.

In order to raise the people's living standards the Party and Government implemented a series of measures to increase the supply of ration food for factory and office workers and their families and to reduce their tax burdens.

The farmers' life, too, has been much improved with the rapid rehabilitation of agriculture and cooperative movement. The Workers' Party of Korea and the Government gave them every assistance to better their lot. In fact they had suffered much from the war and natural calamities after the war.

In the period of the post-war Three-Year Plan six billion won of credit was made available for agricultural co-ops and individual peasants. In the past three years the Party and the Government granted them 260,000 tons of grains and seeds. This relieved them of food shortage caused by natural calamities. A huge amount of tax-in-kind and grain loans in arrears along with 1.4 billion won of debts were cancelled. The Tenth Session of the Supreme People's Assembly of the D.P.R.K. endorsed in December 1955 the proposals made by the Party and the Cabinet of the Republic, which called for a reduction in tax-in-kind rates. This gave stimulus to raise farm produce and better the life of peasants.

The reduction in tax-in-kind made it possible that in 1956 alone more than 100,000 tons of grains were added to the consumption of peasants. Besides, they derived much benefit from a reduced exchange rate of rice with chemical fertilizers, rise of prices of farm products, reduction in irrigation fees, and distribution of various seeds and livestock. Co-op members earned much from stock-farming and fishery, too.

In the post-war period, cooperative farming, which took a dominant position in agriculture, raised labour productivity and proved really its superiority.

As for agricultural production per household in 1956,

grain increased 117 per cent, potatoes 3 times and vegetables 2.5 times compared with 1955. The output of grain increased 4 per cent higher than that of individual peasants. And head of cows owned by co-ops in 1956 were 17 per cent and pigs 44 per cent higher than the year before. The number of livestock owned by each co-op member also increased: cows 4.3 times; pigs 3.4 times. With the growth of agricultural co-ops the share of co-op members increased. In 1956, compared with the previous year, 28 per cent more of grains and potatoes were distributed to each co-op household. And the monetary income of each household increased to 170 per cent. This came chiefly from sericulture, fishery and other side-lines.

The agricultural co-ops themselves began to accumulate large sums of funds to expand their production capacities. In 1956 the co-ops owned 380 per cent more of animal-drawn weeders, 12 per cent more of threshers, 73 per cent more of wagons, and 87 per cent more of rice-mills than in 1955. And the number of fishing boats of the agro-fishing cooperatives increased to 160 per cent.

With the agricultural advancement on the basis of socialist production relations, the living standards of co-op members and individual peasants were rapidly improved, and exploitation and poverty in the countryside wiped out.

In the Democratic People's Republic of Korea the interests of small tradesmen, handicraftsmen, small and middle enterprisers were never neglected.

In the post-war Three-Year Plan period, for the benefit of tradesmen and handicraftsmen, income and local taxes were lowered, and so favorable conditions were created for their commercial activities.

In fact their income was raised and their life is secure.

The priority advancement of heavy industry with the simultaneous progress of light industry and agriculture and the repeated aid given by the Soviet Union and the People's Republic of China and other fraternal countries made it possible to lay the material foundation for the improvement of the living standards of the people. Consequently, the Workers' Party of Korea standing for constant betterment of people's living implemented measures to enlarge systematically the circulation of commodities so as to meet the ever-

increasing demands of the people.

During the three-year period the turnover of the state and co-op trade organizations surpassed by 180 per cent in 1956 over the 1953 figures and by 110 per cent over the pre-war year 1949.

The total amount of commodity circulation in 1956 including that of private merchants exceeded by 19 per cent over the 1949 level.

In the post-war period, sales of consumer goods increased steadily as the following table indicates:

Sales of Consumer Goods
(1953=100)

	1953	1954	1955	1956
Cotton fabrics	100	150	185	254
Silk fabrics	100	195	307	814
Underwear	100	244	283	430
Hoisery	100	139	178	286
Footwear	100	117	187	128
Soy sauce	100	214	301	278
Bean paste	100	189	528	334
Fish	100	278	421	553
Salt	100	104	144	165
Vegetables	100	196	402	362

The total amount of consumer goods sold in 1956 surpassed by far the pre-war 1949: cotton fabrics increased 9.9 times; hoisery 1.6 times; and footwear 1.2 times. In the post-war period 1,684 stores and 400 restaurants were newly established.

The welfare policy of the Workers' Party of Korea and the Government of the D.P.R.K. scored great achievements in improving housing conditions and in expanding educational, cultural and public health establishments.

In the three year period (1954-1956) the Government of the Republic disbursed 9.7 billion won of state fund for promoting the people's welfare. Taking 1953 as 100, the state fund for the people's welfare was 360 in 1954, 440 in 1955 and 530 in 1956. Dwelling houses with more than 13,400,000 square metres of floor space were newly built, of which 6,100,000 square metres were in cities while 7,300,000 square metres in rural districts. Tens of thousands

of families moved from underground shelters into new, convenient apartments. Thus the housing problem was solved to great extent.

In the fields of education, culture and public health, too, much was attained. Altogether the state spent 5.9 billion won in these fields. A total of 5,455 schools were newly built, of which 3,882 were primary schools, 1,424 junior and senior high schools, 127 specialized schools and 17 higher educational institutions. This means 382 more schools than in 1949. Especially, during this period the compulsory primary education was enforced. In 1956 there were 2,080,000 students studying in various schools—an increase of 170,000 over 1949 and 320,000 over 1953. Besides, 25,000 students were enrolled in correspondence courses and evening schools. In the post-war Three-Year Plan period 26,000 technicians, engineers and specialists were graduated from higher educational establishments, who are now working in various branches of the national economy. Some 4,300 students were sent abroad to study in the Soviet Union and other fraternal countries.

Deep concern was also shown by the Workers' Party of Korea and the Government for the further development of science. In 1956 the number of scientific workers increased five times as against 1953. They connected their study more closely with production.

During this period, for the improvement of the cultural life of the people a great number of theatres, cinemas and clubs were rehabilitated or newly built in Pyongyang and other cities and towns throughout the country. There were 140 more theatres and cinemas, 79 more libraries and 40 more clubs than the pre-war year 1949. And the film studio produced 255 feature and documentary films.

In 1956 various publications increased: 14,420,000 copies of books, 18,120,000 copies of magazines, 12,830,000 copies of various text books and 174,100,000 copies of newspapers were published — an increase of 8,670,000 in book, 12,680,000 in magazine and 4,300,000 in text book over 1949.

A great number of hospitals and clinics were rehabilitated or newly built. In 1956, the number of hospital beds increased by 11,500, doctors by 875 compared with 1949.

The production of medical supplies increased 2.7 times as compared with the 1949 figures.

With the rapid improvement of the living standards and medical service the death rate was considerably brought down.

In the post-war period the state appropriated a huge sum of funds for the restoration of national economy. The sum of each year surpassed the pre-war 1949 by 296 per cent on an average. The very fact that it was possible to spend such a large amount of fund for the improvement of the living standards testified to the advantage of socialist economy and the correct policy of the Party and Government that stand for the promotion of people's welfare.

5. Success in Socialist Transformation

During the post-war Three-Year Plan period the production capacities in industry and agriculture developed rapidly, and in every branch of the national economy, socialist economic sectors were further strengthened and consolidated.

After liberation, with the enforcement of various democratic reforms of historic significance in the northern part of the country, there have emerged three basic forms of economy: socialist economic form based upon the state and co-operative economy; small commodity production economy of individual farmers and handicraftsmen; the capitalist economic form of merchants, industrialists and rich farmers.

After the war, the policy of the Party with regard to socialist transformation of economy registered a decisive victory, and as a result of the rapid expansion and development of socialist economic sectors there took place remarkable changes in the economic structure of our country.

The socialist sectors which held a leading position in industry were further expanded and strengthened during

the past three years to bring about a complete new picture in the economic life of the country.

Gross Output of Industry According to Social Sectors (in percentages)

	1946	1949	1956
Socialized industry	72.4	90.7	98
Of which:			
State industry	72.4	85.5	89.9
Co-operative industry	—	5.2	8.1
Small commodity production	4.4	1.5	0.7
Capitalist production	23.2	7.8	1.3
Total	100	100	100

Today the state and co-operative industries occupy a predominant position in our industry, whereas private industry comprising a small segment of food stuff and ceramic manufacture holds a very insignificant proportion.

In the post-war period the co-operative movement for the socialist transformation of private enterprises has widely been developed, and in 1956, the membership of producers' co-operatives was 1.8 times as great as in 1953, the number of fishing co-operatives 1.2 times, and the total output of the producers' and fishing co-operatives increased twice compared with 1953, and 2.9 times the pre-war year of 1949.

With the socialist transformation of individual farming, co-relations between different economic forms in agriculture underwent a radical change in the post-war days. The socialist sectors have come to play a dominant role in the countryside.

Gross Output of Agriculture According to Social Sectors (in percentages)

	1946	1949	1953	1954	1955	1956
Socialist economic form	—	3.2	8.0	11.5	55.4	73.9
Of which:						
State economy	—	3.2	8.0	8.2	12.2	9.4
Co-operative economy	—	—	—	3.3	43.2	64.5

Small commodity economy	94.4	91.4	90.1	87.9	44.0	25.8
Private capitalist economy	5.6	5.4	1.9	0.6	0.6	0.3
Total	100	100	100	100	100	100

After the war, as a result of the rapid growth of agricultural co-operatives and the further expansion of the state-owned farms, the state and co-operative farms accounted for 69 per cent of the total sown areas in 1956, and 72 per cent of the total grain output.

In 1956, 61 per cent of the total cotton output and 82 per cent of the total tobacco output were from the agricultural co-ops. In the field of livestock-breeding, the state and co-operative livestock farms owned 98.8 per cent of the total head of milch-cow, 94.9 per cent of sheep and goats, 74.4 per cent of Korean cows, and 79.3 per cent of pigs.

The expansion and strengthening of socialist sectors, particularly in agriculture, and the correct trade policy of the Workers' Party of Korea helped to promote further the socialist transformation of trade.

In the post-war period, the state and co-operative trade made rapid progress, which presented the entirely different picture. Here are the figures (in percentage):

Growth of Trade According to Social Sectors (in percentages)

	1946	1949	1953	1954	1955	1956
State and co-operative trade	3.5	56.5	67.5	71.9	84.6	87.3
Of which:						
State trade	0.1	27.9	32.0	39.1	50.6	53.9
Co-operative trade	3.4	28.6	35.5	32.8	34.0	33.4
Private trade	96.5	43.5	32.5	28.1	15.4	12.7
Of which:						
Peasants' market	23.2	11.2	5.1	5.6	5.1	5.0
Total	100	100	100	100	100	100

After the war, the Workers' Party of Korea and the Government strengthened further the state and co-operative trade, while a series of measures were taken to embrace small tradesmen and merchants in socialist economy by

drawing them into co-operatives. And no small results were scored in the first year of this program.

In 1956, the number of private merchants in the city of Pyongyang occupied one third of the total number of private merchants in the country, and their sales reached one-half of the total amount. But by December of the same year the number of trade co-operatives in Pyongyang grew about 8 times compared with September of the same year.

By the end of December, their membership was grown 9.3 times, including 70 per cent of the total merchants of Pyongyang in co-operatives.

Thus the socialist transformation of private trade into co-operatives is being accelerated in towns and the countryside. In the post-war period, the socialist economic sectors have become overwhelmingly predominant and grown into a leading force in all branches of the national economy.

The following table shows changes of national income in different economic sectors.

**National Income According to Different
Economic Sectors (in percentages)**

	1946	1949	1953	1954	1955	1956
Socialist economic form	14.8	44.5	45.6	55.5	77.0	81.8
Of which:						
State owned economy	14.6	40.3	39.4	48.4	53.4	49.5
Co-operative economy	0.2	4.2	6.2	7.1	23.6	32.3
Small commodity production economy	64.2	46.6	51.2	41.4	20.7	15.5
Private capitalist economy	21.0	8.9	3.2	3.1	2.3	2.7
Total	100	100	100	100	100	100

Thus the fundamental problem of gradual transition to socialism—victory of the socialist economy over the capitalist one—was, in the main, solved, and a solid material foundation was laid for the completion of socialist transformation of the entire national economy.

For ensuring the victory of socialist economy, the Workers' Party of Korea carried out and is carrying out the policy of converting the small commodity production economy and the capitalist economy into socialist economy, not by expropriation but by peaceful methods.

In the northern part of the Republic the capitalist economic form was transformed peacefully into socialist one. How can it be?

Firstly, since the country's liberation, the working class has been playing a leading role in the revolution in our country and with the nationalization of industry the socialist sector occupied a leading position.

Secondly, political and economic forces of the national bourgeoisie in our country had been insignificant. Furthermore, as a result of the nationalization of industry their position became much weaker.

Thirdly, the international forces of socialism have been strengthened as never before. From the course of events we get a clear picture that capitalism is a dying social system.

With the rapid development of industrialization the ranks of the working class constantly grew and their unity was strengthened. The rapid development of the agricultural co-operatives has further consolidated the worker-peasant alliance led by the working class.

During the post-war period, the class composition of the population changed as follows.

**Change in the Class Composition
of Population (in percentages)**

	1946	1949	1953	1954	1955	1956
Workers	12.5	19.0	21.2	25.7	28.1	27.3
Office employees	6.2	7.0	8.5	10.4	12.2	13.6
Agricultural co-op. members	—	—	—	17.1	26.1	40.0
Individual peasants	74.1	69.3	66.4	44.2	31.2	16.6
Handicraft co-op members	—	0.3	0.5	0.48	0.95	1.1
Individual handicraftsmen	1.5	0.8	0.6	0.59	0.35	0.3
Industrialists	0.2	0.1	0.1	0.1	0.05	0.03

Merchants	3.3	1.7	1.2	0.87	0.58	0.57
Total	100	100	100	100	100	100

As the above table shows, the post-war Three-Year Plan of Rehabilitation and Development of National Economy was successfully overfulfilled.

The correctness of the economic policy of the Party which called for the priority development of heavy industry along with the simultaneous development of light industry and agriculture made it possible in all spheres of our national economy to recover from the war wounds and greatly exceed the pre-war year level. The colonial lopsidedness and deformity were to a marked extent eliminated by improving the outmoded composition of industrial branches, by raising technical level and by adjusting irrational geographical disposition.

It is also noteworthy that an epoch-making change took place in the socialist transformation of the rural economy. Socialist production relations have become the predominant and leading ones in every branch of the national economy.

With the rapid rehabilitation and development of light industry and rural economy, the living standards of the people ruined by the war were considerably improved. The increase of production served to lay a solid material foundation for the further promotion of the welfare of the people.

How can it be explained that our national economy could not only recover from the severe war wounds but also surpass the pre-war level and ensure the constant improvement of the people's living standards?

Firstly, it follows from the correct economic policy of the Workers' Party of Korea and the wise guidance of the Central Committee of the Party in effecting it. Taking into due consideration the situation created in our country following the armistice, the Workers' Party of Korea laid down the general line in relation to the development of national economy and stimulated the entire people to take an active part in the post-war reconstruction.

As a result of the priority growth of heavy industry, along with the simultaneously rapid development of light industry and agriculture, the composition of industrial branches and the technical foundation which had concentrated on the production of raw materials and half-finished goods were considerably improved and the material foundation for the socialist industrialization was laid. The backwardness of light industry, which is a manifestation of the lopsidedness left over by the Japanese imperialist rule, was greatly eliminated.

The leading role of industry in relation to agriculture has been enhanced. The development of industry called for a new advance in the development of rural economy.

Thanks to the rapid rehabilitation and development of light industry and agriculture, the living standards have been sharply improved and is expected to be raised higher.

Such successful realization of the economic policy of the Party could be ensured only by the correct leadership of the Central Committee of the Party.

The Third Congress of the Workers' Party of Korea held in April 1956, summing up the success gained in the struggle for the post-war reconstruction of the national economy, confirmed the correctness of the post-war economic policy of the Party and the correct leadership and wisdom of the Central Committee of the Party.

Secondly, in response to the appeal of the Party, the entire working people displayed their unexcelled patriotism and creativeness.

There were numerous hardships and obstacles in the way of the post-war rehabilitation and development of the national economy. The Korean people had to set about the reconstruction on the ruins. They were short of materials, manpower, and skill. The shortage of houses, food-stuffs, and daily necessities was keenly felt.

However, the heroic working people surmounted every hardship and obstacle, displaying their splendid feat of labour.

During the post-war period, 49 workers were made Hero-

es of Labour and 125,130 labour innovators received various kinds of orders and medals.

Such exploits displayed by our people are attributable to the fact that the social and economic system of people's democracy was set up and that this system has ensured the conditions for the entire people to display their inexhaustible creativeness and unprecedented patriotic devotion.

Thirdly, the economic assistance, both material and technical, which was rendered by the Soviet Union, the People's Republic of China and other brotherly countries of the socialist camp, contributed much to the successful reconstruction of the post-war national economy. The Soviet Union, the People's Republic of China, the Polish People's Republic, the Czechoslovak Republic, the Hungarian People's Republic, the Rumanian People's Republic, the Bulgarian People's Republic, the German Democratic Republic, the Mongolian People's Republic, and the Albanian People's Republic rendered disinterested material aid to the Korean people. They sent us machinery needed in heavy and light industries, fuel, construction machines, electric appliances, farm implements, various kinds of transport and communication facilities, asphalt, oil, insecticides, various daily necessities, chemicals, public health facilities, materials for cultural need, scientific research instruments, technical documents and books, medicines, cattle and food, cotton fabrics, underwear, shoes and so forth. And they gave us immense technical assistance in the reconstruction of the national economy.

During the Three-Year Plan period, the Kim Chaik Iron Works, Sungjin Steel Works, Nampo Refinery, Soopoong Power Plant, Heungnam Fertilizer Factory, and Madong Cement Factory, were rehabilitated and expanded, and the Pyongyang Textile Mill, Ryongsung Meat Packing Plant, Central Broadcasting Station and Red-Cross Hospital were rebuilt thanks to the aid of the Soviet Union.

With the aid of the People's Republic of China, 73 kilometres of railway line were newly laid and three locomotive sheds, the Taidong, Chungchun, Dairyung and Korea-China boundary iron-bridges were completely restored. A furniture factory and a tile-yard were put into operation with the aid of the Bulgarian People's Republic, and the

city of Hamheung is being beautifully rebuilt with the aid of the German Democratic Republic.

A railway factory with the aid of the Polish People's Republic, a power plant with the aid of the Czechoslovakia, a dyeing factory with the aid of the Hungarian People's Republic, a pharmaceutical factory with the aid of the Rumanian People's Republic are under construction.

During the Three-Year Plan period, the Soviet Union, the Polish People's Republic, the Czechoslovak Republic, the Hungarian People's Republic, the Rumanian People's Republic and the Bulgarian People's Republic gave the Koreans great medical help by sending doctors and medical supplies, and by building hospitals in our country.

During this period, our economic ties with the countries of socialist camp were further tightened. The total volume of foreign trade in 1956 increased 2.1 times the 1953 figures; export grew 220 per cent, while import grew 196 per cent.

Such enormous material and technical aid and the further strengthening of economic ties have made considerable contributions to rehabilitating and developing the post-war national economy.

Under the leadership of the Workers' Party of Korea, tremendous success was achieved by the people in the northern part of our Republic in the post-war reconstruction of the national economy. It serves to consolidate further our Republic — the source of our revolution — politically, economically and culturally and promote the peaceful unification of the fatherland. Moreover, the worker-peasant alliance led by the working class and the political unity and solidarity of the entire people with the working class in the van have been strengthened still further.

As a consequence of the gigantic post-war reconstruction and the socialist transformation of the country a foundation of self-sufficient economy has been laid so as to ensure a high tempo of economic development and improve sharply the living standards of the people. Thus it was made possible to push ahead with the First Five-Year Plan. The results attained by the people in the northern part of our Republic demonstrated the superiority and vitality of the people's democratic system.

III. WIDE PROSPECTS FOR THE FURTHER DEVELOPMENT OF NATIONAL ECONOMY

Tremendous achievements were attained by the Korean people during the post-war Three-Year Plan period. Thus the further development of national economy, the improvement of the living standards of the people were ensured. The possibilities were created for going over from the rehabilitation of the war-ravaged national economy to the laying of the material basis of socialism, and to the ultimate victory of socialist economy.

On the basis of the successful fulfilment of the Three-Year Plan, it became possible to work out a prospective, long-term plan for economic and cultural construction.

The Third Congress of the Workers' Party of Korea set forth the basic line of the First Five-Year Plan (1957-61).

The outline of the plan is to further promote socialist construction in the northern part of the country by laying a solid foundation for socialist industrialization and by completing socialist collectivization of agriculture; to steadily continue the priority development of heavy industry; to ensure rapid progress in all branches of the national economy on the basis of technical reconstruction and of increasing labour productivity; to develop swiftly production in agriculture and light industry; on this basis to raise remarkably the material and cultural living standards of our people; and thus to consolidate the source of our revolution — the northern half of the Republic — into a mighty material base for the peaceful unification and independence of the country (Resolutions of the Third Congress of the Workers' Party of Korea on the Report of the Central Committee).

Along this line there will be a remarkable progress in socialist construction in the northern part of the country. Thus the First Five-Year Plan opens up a broad vista for the development of the national economy.

1. Industry

During the First Five-Year Plan period a high speed will be ensured in rehabilitating and building factories and enterprises, strict economization introduced, colonial lopsidedness eliminated by establishing proper relations between the source of raw materials, transport and existing industrial establishments, and then socialist industrialization will be promoted.

Priority will be given to the development of metal, electric, machine-building, chemical, and building-materials industries which are essential to over-all development of the national economy, especially to the rapid growth of machine-building industry.

As for the light industry there will be a sharp increase in the production of daily necessities by building new factories which will be fed mainly with domestic raw materials and by further expanding the existing facilities.

The tempo of industrial growth in 1957, the first year of the First Five-Year Plan, will go up to 121 per cent as compared with that of 1956.

Metal industry will be further developed under the plan. In order to meet the demands for steel, blast furnaces, coke ovens, open-hearth furnaces, electric furnaces and forging equipment will be rehabilitated or newly built.

Especially, the Hwanghai Iron Works, Kangsun and Sungjin steel works will be completely rehabilitated to increase sharply the steel production.

In the First Five-Year Plan preparatory work will be started for constructing alloy-metal industry and the exploitation of mines will be promoted to satisfy the increasing demands of metal industry for raw materials.

Measures will be taken for the mechanization of existing mines along with the work of extensively prospecting for new mines. In this period the opening of the Kapsan Copper Mine will be expedited, and the mining of cobalt ore in the Huhchun area and tungsten in the Rangrim Mountain Range will be accelerated.

New great mining centres in Ryanggang Province and the Tanchun area of South Hamkyung Province will be established by intensifying further the geological survey.

During the First Five-Year Plan period, machine industry will be developed at a more rapid pace. So far it still remains the weakest link in our industry. Despite marked progress in the post-war era, machine-building industry could not catch up with the advance registered by other industries. The First Five-Year Plan calls for the mass production of machine-tools, various kinds of electric appliances, farming and mining machinery, construction machines, engines, vessels, etc. Mining and construction machines such as rock-drills, crushers, winches, compressors, small-sized cranes, turret cranes, mixers, conveyers and excavators will be produced on a mass scale.

With a view to increasing electric appliances, the Daian Appliances Factory—one of the biggest factory of the kind in our Republic— will be further expanded by adding a large-size electric appliances shop. Another new electric appliances factory will be constructed in Pyongyang to turn out electric machines and low-tension appliances.

Thus, by the end of 1961 it is expected to produce various kinds of electric motors, transformers, electric wires, electrometres and various kinds of electric appliances for home use.

During the Five-Year Plan period engineering works, automobile assembly works and passenger and freight car repair shops will be built. And small-size iron-clad vessels will be built in some shipyards.

Efforts will be made to improve the quality of farm implements. At the same time animal-drawn implements will be replaced gradually with power machines.

During the same period bicycles, sewing machines and utensils necessary for daily life will be produced.

In order to meet the growing needs of industry for electric power and to ensure the supply of electricity for home use, the existing power stations, transmission network, and power distributing stations will be rehabilitated and rearranged.

The construction of the Tokro-gang Power Station which was interrupted by the war is to be completed by the end of the Five-Year Plan period.

It is necessary for the expansion of electric power capacity to explore hydropower resources which the northern

part of the Republic is abundantly endowed with. In the period of the First Five-Year Plan, investigations will be made on the upper reaches of the Taidong and Yalu, Tokro and Chungchun rivers.

Coal production will be increased in the period of the First Five-Year Plan to satisfy the ever-growing demand for coal by industry, transport and the population. State investments in the coal industry will be increased and mining facilities will be improved. At the same time the investigation and exploitation of new mines will be energetically pushed forward.

In 1957, great attention will be paid, above all, to exploitation of large scale mines. The exploitation of branch pits of Shinchang, Kowon and Heukryung Mines and the development of new pits of Dukchun, Choyang, Ryongdeung, Kochang and Shinchang mines will be hastened.

One of the most important tasks facing the coal industry is to increase the production of anthracite. It is one of the important research work to convert anthracite into locomotive fuel and gas.

The chemical and building-materials industries play an important role in promoting a rapid development of the living standards of the people.

The chemical industry is not to the mark of the demands of the national economy. Especially it is an urgent task to meet the need of chemical fertilizer in the countryside.

To this end, ammonium sulphate shop of the Heungnam Fertilizer Factory is to be completely rehabilitated in the First Five-Year Plan period. And a new nitro-ammonium shop will be built, and the Bongoong Chemical Factory completely rehabilitated in order to increase the output of nitro-lime fertilizer.

In the period of the First Five-Year Plan, an increase is foreseen in the production of synthetic fabrics made from carbide, alcohol and nitric acid, and various kinds of medicines.

In 1960 a dye-making factory with the annual capacity of 700 tons will be put into commission.

Caustic soda will be produced and a large quantity of it will be exported.

The extensive plan of capital construction necessitates

the stepping up of production of building-materials.

Cement production will reach 2 million tons by 1961, that is, about three fold as against the pre-war year 1949.

The output of bricks, roof tiles, artificial slates, natural slates, stone products and glass will be increased. Large scale afforestation and conservancy will be effected.

During the First Five-Year Plan period, priority will be, as before, given to the growth of heavy industry in harmony with a speedy development of light industry, particularly textile and food-processing industry. In the near future the annual production of fabrics will stand at 17 metres per capita. In 1957, the production of cotton fabrics will grow to 107 per cent, silk fabrics to 141 per cent, and underwear to 147 per cent as compared with 1956.

During this period, industrial crops will be extensively cultivated for meeting the ever-increasing demands of textile industry.

In 1957 a rayon shop will be added to the Chungjin Mill, and in 1958 another staple fibre shop will be erected. Then the Chungjin Mill will produce tens of millions of metres of silk and artificial fabrics. Reeds serve as raw material for rayon production. With the completion of the Pyongyang Silk Mill and the Soonchun Dye-and-Print Factory the volume of silk and patterned fabrics will be increased. During this period preparations will be made to produce hemp fabrics.

By 1961 footwear will be turned out at the annual rate of 2.4 pairs per capita.

In the field of food industry every effort will be exerted to supply the people with better quality products made from farm produce and marine products. In 1957, the first year of the First Five-Year Plan, the production of foodstuffs will come up to 133 per cent of the 1956 figures.

Larger quantities of edible oil will be obtained.

The paper industry will make a rapid progress.

In the field of light industry, special attention will be paid to produce more of daily necessities by developing local industry and producers' co-operatives.

In fishery, efforts will be made to employ various methods of increasing the catch of fish. To this end, deep-

sea fishing and whaling should be encouraged. Particularly fishing on the west sea should be greatly spurred on.

Along with the state-owned enterprises fishermen's co-ops and agro-fishing co-ops will be aided in every way. By 1961 the catch of fish will amount to over 600,000 tons.

2. Transport and Communications

The First Five-Year Plan set the task of recovering railway from the war damage, of enlarging its facilities in certain sections and of improving its technical equipment in order to keep step with the increasing freight turnover.

During this period electrification of lines between Kowon and Shinsungchun and between Koin and Kaigo will be completed, the Komoosan-Soosung line be double-tracked, and the narrow gauge Hasung-Jungdo line will be replaced with broad gauge one.

Locomotive and rolling-stock repair shops will be rehabilitated and during this period railway carriages will be produced. And the management of railway operation will be bettered.

As for the sea-borne transport major ports on the eastern and western shores will be restored and a dredging work of the Nampo port launched. The inland shipping on the main rivers including the Taidong River will be expanded.

The motor transport will improve its service by raising the skill of controlling motor-vehicle and highway.

In the field of communications, the telephone network will be expanded. Smooth operation should be ensured for tele-communications between the capital and provinces, between provinces and counties, and between counties and important townships. The radio-relay-through-wire network will be also extended.

3. Agriculture

One of the important tasks set forth in the First Five-Year Plan is to rapidly develop agriculture. In the field of agriculture the increase of grain output and the completion of co-op organization in the countryside are the two main tasks to be accomplished.

In the period of the First Five-Year Plan, the output of grain will be raised to self-sufficiency. At present, the output of industrial crops fails to satisfy the rapidly increasing demands of light industry, and every year no small amount of ginned cotton and other raw materials are imported. Cultivation of industrial crops and oil-bearing plants will be expanded.

The development of livestock breeding will have an important bearing on removing the shortage of drought-animals. The meat supply will be increased.

Therefore, during this period the agricultural co-ops will turn special attention to building the foundation of livestock breeding.

Breeding of native as well as imported cows should be encouraged. The experiment on cross-breeding is to be completed to raise a new breed. Throughout the country the number of livestock breeding stations will be increased. And large scale pastures will be established in mountainous areas.

In the light of the fact that the fruit growing holds an important place in the national economy of our country, every existing orchard should be put in order and expanded, while new orchards will be cultivated on hills along the west coast. During the First Five-Year Plan the fruit growing acreage amounting to 100,000 jungbo will be newly brought under cultivation.

The agricultural co-op movement — the socialist transformation of agriculture — has been rapidly moving forward. During the First Five-Year Plan period the co-op movement will be stepped up among the peasants. Every farm house will be embraced in co-operatives. However, the voluntary principle should be strictly observed. As to the existing co-ops every aid is to be given to strengthen the co-ops economically and organizationally.

4. Capital Construction and Training of Technicians

The capital construction is the most important factor for the carrying out of the rehabilitation of the war-devastated factories and enterprises, for the socialist industri-

alization of the country and for the further development of the national economy.

It is envisaged that during the First Five-Year Plan period, a large portion of the investment will be appropriated for the production of means of production with the emphasis on heavy industry. And at the same time a considerable amount will be allocated for the development of agriculture.

The main tasks of capital construction are to improve drafting, to put construction on an industrial footing and to introduce widely the assembly method into building.

As the national economy develops the demand for technicians and skilled workers will grow.

In the coming five years, therefore, a large number of engineers and skilled workers will be trained. To this end, technical institutions of all levels will be enlarged.

5. Improvement of Material and Cultural Standards of the People

With the development of industry and agriculture a wide prospect has opened up for the advancement in the material and cultural standards of the people. During the period of the First Five-Year Plan the question of clothing, food and housing will be basically solved.

In this period our national economy will take long strides on the basis of the priority development of heavy industry. And for the promotion of the welfare of the people not only dwelling houses, but also cultural, public health, educational, and scientific research institutions will be expanded.

During this period it will be sought to raise the average wages of workers and office employees and peasants' incomes in kind and cash on the basis of the rapid growth of industrial and agricultural output and the rise of labour productivity. The state retail prices will be cut down so that the real incomes of workers, office employees and toiling peasants will considerably increase.

In state and co-operative trades, there will be effective and smooth circulation of commodities in order to meet the

demands of the people. A steady flow of daily necessities and foodstuffs of better quality should be kept on.

During the First Five-Year Plan period it is expected that industrial products and foodstuffs will be excluded from the ration system to improve further the living standards of workers and office employees.

In 1957 the total volume of commodities in the state and co-operative trades will grow 119 per cent as against 1956. The ready-made clothes will grow 4.5 times, underwear 135 per cent, soap double, oils and fats 3.3 times and meat 2.4 times.

The Five-Year Plan envisages the strengthening of economic ties with the socialist countries and the expansion of trade with the capitalist countries.

In this period, an extensive exploration of resources for export will be made so as to multiply items of export and increase its volume.

An elevation in the cultural standards of the people takes a conspicuous place in the First Five-Year Plan.

In this period, the state will appropriate a large sum for building educational establishments. And preparations will be done for the seven-year compulsory educational system.

Also higher educational establishments will be further expanded and the total number of students will grow about 1.7 times during the Five-Year Plan period.

In the sphere of culture endeavours will be directed towards the further development of national arts.

In the near future, colour films will be produced and a large-scale, modern printing plant will be established.

In the field of public health, the present hospital facilities will be expanded, and a clinic set up in every village.

Along with preventive measures against epidemics the work of protecting mothers and children will be intensified. The pharmaceutical industry will be developed.

To promote public health service serious studies will be made on the traditional Korean medical science, which has been in practice for centuries.

During this period social insurance for the benefit of workers and office employees will be strengthened still further.

The life of handicraftsmen, petty traders, small and me-

dium enterprisers will be stabilized, and at the same time, efforts will be made for their socialist transformation.

The Government will continue to ensure business conditions for private traders and industrialists so that they step up production and distribution of consumer goods. Producers' co-operatives will be aided and the state will grant long-term credit to them. State consignment sale will be widely organized for private traders.

Special attention will be paid to the gradual transformation of private traders and industrialists into socialist workers on the voluntary basis.

During the period of the First Five-Year Plan every effort will be made to improve further the housing conditions of the working people.

The acute housing problem arising from the war devastation will be solved and the need of dwelling houses by the working people will be met during this period. The state will earmark a large sum of funds for the building of dwelling houses in Pyongyang and other main cities, county seats, and villages. Three and four-storeyed apartment houses with modern facilities will soon rise up in towns.

The Government will encourage individual citizens to build houses by providing them with building materials at reduced prices and by granting them loans.

In the First Five-Year Plan period the socialist sector of the national economy will be put on a firmer footing; the solid foundation of socialist industrialization laid. And the production of light industry and agriculture will be sharply increased. Then the material and cultural standards of the people will be raised still further.

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The First Five-Year Plan which is being carried out in the northern part of the Republic on the basis of the achievements gained in the short period of three-years after the war has a broad prospect. To bring the plan to a successful conclusion every difficulty and obstacle has to be surmounted.

Particularly, the peaceful construction of the First Five-Year Plan is being carried out under the circumstances that the country is divided and the American imperialists and

their hirelings, the Syngman Rhee clique, set up the constant cry of "March North".

Though the national economy was rapidly reconstructed in the post-war era in the northern part of the Republic, the number of technicians and specialists is still insufficient, and the supply of materials fails to meet the growing demands of industry and agriculture. Under such conditions the historic plan is being carried out. At the same time, in fulfilling the First Five-Year Plan the question of funds must be solved mainly by ourselves.

For all these difficulties, we have every possibility for the successful fulfilment of the First Five-Year Plan. We have the correct leadership of the Workers' Party of Korea and the Government of the Republic, unbreakable political and moral unity of the Korean people who are closely rallied around the Party and the Government, and the valuable experiences gained during the struggle for the post-war reconstruction of national economy. Besides, we have the rich hydro-power, mineral and fishing resources, the already created technical foundation of industry and agriculture, the assistance offered by the countries of the socialist camp, which constitute material guarantee for the successful fulfilment of the First Five-Year Plan.

Today, the entire working people in the northern part of the Republic, united as one, are all out for the successful fulfilment of the First Five-Year Plan, giving full support to the economic policy of the Workers' Party of Korea.

Particularly, they are upholding the decisions of the December Plenum of the Central Committee of the Korean Workers' Party, which were made in accordance with the general line of economic construction mapped out by the Third Congress of the Party, and are launching vigorously the campaign for increased production and economization in order to fulfil the targets set for 1957, the first year of the First Five-Year Plan.

The creative labour struggle of the Korean people has already achieved brilliant results.

The national economic plan for the first half of 1957 was overfulfilled. During the same period the gross output of state-owned and co-operative industries exceeded by 12 per cent the targets provided in the state plan, an increase

of 41 per cent as compared with the corresponding period of the previous year.

Great successes have also been achieved in the rural economy. The 1957 plan for expanding the total sown area was overfulfilled by 7 per cent, in spite of the prolonged severe drought. As a result, the gross output of grain will be increased this year by several hundred thousands of tons as compared with 1955. The rapid development of agriculture can be attributed to the further organizational and economic consolidation of agricultural co-operatives. By September 15, 1957, the co-operatives accounted for 90.5 per cent of the total peasant households and 87 per cent of the total area under cultivation.

The brilliant successes achieved by the Korean people testify to the correctness of the general line of the economic policy of the Korean Workers' Party with regard to the priority development of heavy industry with the simultaneously rapid progress of light industry and agriculture.

On the basis of the attained results the First Five-Year Plan will be successfully carried out.

The fulfilment of the First Five-Year Plan is of historical importance for the promotion of the socialist construction. The socialist industrialization and over-all co-operativization of the countryside will be brought to a successful conclusion. Thus the revolutionary democratic base and the material foundation will be further strengthened with the ever-growing socialist forces in every branch of the national economy.

It is also of enormous importance for making the people of the southern part of the Republic rise for the peaceful unification of the fatherland. In South Korea industry and agriculture lie in ruin owing to the colonial rule of the American imperialists. In contrast to this, North Korea is making rapid progress in its economy, and the living standards of the people are constantly being raised.

Under the circumstances the people of South Korea will admire the life of the people of the northern part of the Republic who are marching forward on the road of socialist construction, and will make a more stubborn struggle against the American imperialists and the quisling Syngman Rhee.
